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Minister Grachev Defends START II Treaty

PM0501132393 Moscow KRASNAYA ZVEZDA in Russian 5 Jan 93 p 1

[Lieutenant Colonel Anatoliy Dokuchayev report: "The New Year of 1993 Has Begun With a New Treaty on the Limitation of Strategic Offensive Arms"]

[Text] The treaty on the further reduction and limitation of strategic offensive arms (the START II Treaty) signed in Moscow on 3 January by Boris Yeltsin and George Bush is the first major accord on military questions between Russia and the United States. It will be the focus of attention of experts and analysts throughout the world for a long time. Detailed analysis lies ahead. However, judging by the telephone calls to the editorial office, our compatriots, including KRASNAYA ZVEZDA readers, want to know right now whether the treaty signed is in Russia's interests.

Army General Pavel Grachev, defense minister of the Russian Federation, gave his assessment of the START II Treaty during a news conference held on 3 January.

An event has occurred which marks a new stage in collaboration between Russia and the United States in regard to reducing the arsenals of offensive nuclear weapons, Army Gen. Pavel Grachev remarked at the start of his statement. The basic aim of the treaty is to guarantee security for both Russia and the United States with significantly lower nuclear potential on both sides and thereby strengthen strategic stability. This aim is being achieved by reducing by 1 January of the year 2003 the nuclear charges [boyezaryady] of Russia and the United States to the level of 3,000-3,500 (roughly three to four times lower than the current level) with the sides honoring their committments under the ABM Treaty of 26 May 1972.

The defense minister noted that in the United States all the most up-to-date MX ICBM's will be eliminated, the number of nuclear charges on Minuteman-3 ICBM's will be reduced by a factor of three, those on SLBM's by more than three times, and those on heavy bombers by several times. Here the American side will reduce the most highly accurate modern warheads on ICBM's and SLBM's, including the SLBM's of the Trident-2 (D-5) system, over which our side has repeatedly shown concern.

As far as strategic bombers are concerned, Army Gen. Pavel Grachev said, U.S. agreement to the real (rather than theoretical, as required by the START I Treaty) counting of nuclear charges on heavy bombers (Article IV of the treaty) is very important here. This means that not just long-range cruise missiles but also short-range guided missiles and the nuclear bombs which heavy bombers can carry will be included in the levels in terms of nuclear charges.

The minister dwelt on the treaty provisions relating to the Russian strategic nuclear forces. They concern in particular our side's commitments to eliminate the second half of the heavy stationary ICBM's which would have remained after the implementation of the Start [I] Treaty. These heavy ICBM's have always, on the one hand, constituted an object of particular concern for the United States, while, on the other, could potentially be the main target of a preemptive, first strike against our strategic nuclear forces grouping. We took this, let's be clear, exceptionally responsible step, Pavel Grachev said, based not just on military strategic and political considerations but for economic reasons too.

Having agreed to eliminate its heavy ICBM's, Russia has in practice given up its plans for their further modernization and production. The point is that the service life of the current heavy missiles on stand-by alert expires at roughly the same period as defined in the timetable for the implementation of the new treaty, and they would have to be destroyed in any event, but then unilaterally. Moreover, these missiles, as is well known, were previously produced in Ukraine, and starting up their production actually on the territory of Russia would require enormous financial and material outlay. And we should not forget about the other priorities in the development of the Russian Armed Forces in accordance with the military reform that is under way.

The aforementioned, Army Gen. Grachev noted, in no way means that Russia is being deprived of its nuclear missile might on land.

During his news conference, the defense minister stressed that the Strategic Nuclear Force grouping formed in the light of the treaty will enable Russia to have by the year 2003 and in subsequent years systems with a combat potential which guarantees deterrence of nuclear aggression from any potential quarter against Russia and its allies. On the whole, the levels set by the treaty are in accord with our long-term plans for the development of strategic offensive arms and the actual potential of Russian industry and the country's economy.

We realize, the minister stated, that Russia will most likely not achieve to the full extent the levels of charges permitted by the treaty, particularly in respect to the aviation component of the strategic missile forces, in the period that the treaty is in force.

The defense minister drew journalists' attention to the fact that the treaty also resolves the task of moving to a new level of partnership relations with the United States and other nuclear states.

Army Gen. Grachev was asked about the attitude of the other Commonwealth members of the "nuclear club." Replying, the minister said that the attitude of the countries of the "nuclear club" to the Russian-American document is positive. The treaty would not have been signed if the leaders of the states on whose territory nuclear weapons are deployed today had doubts about it.

Winding up, Army Gen. Pavel Grachev noted that the treaty signed will in the very near future be the object of extensive discussion at various levels. Defense Ministry

experts are ready to furnish exhaustive answers to every specific question in order to persuade all interested parties of the correctness of the decision made and to prepare the treaty for ratification.

Kravchuk Says START II Does Not Apply to Ukraine

LD0401155493 Moscow ITAR-TASS in English 1530 GMT 4 Jan 93

[By UKRINFORM-TASS]

[Text] Kiev January 4 TASS—"The Russian-U.S. Start-2 Treaty does not assign any commitments to Ukraine and does not cover its territory. At the same time, Ukraine is moving consistently towards the goal of becoming a nuclear-free state which was proclaimed by its Supreme Soviet," Ukrainian President Leonid Kravchuk said. He made a statement in conjunction with the signing of the Russian-U.S. Treaty to Reduce and Limit Strategic Offensive Armaments (START-2).

"I believe that Ukraine's top legislative body will examine positively the START-1 Treaty and the Lisbon Protocol and Ukraine will thus be one of the first states to take a historic step towards freeing up the world of nuclear weapons," Kravchuk added.

He described the Russian-U.S. START-2 Treaty as "a remarkable event of the last decade which is meant to lower the level of nuclear confrontation and enhance strategic stability in the world."

"Coupled with the large-scale programme for the defence industry conversion and diverting the military-industrial potential to meet the needs of the economy and social development, the treaty will meet the interests of the whole of mankind."

"We hope that earlier agreements will be implemented and inter- state Ukrainian-Russian talks on the wide range of technical and financial issues pertaining to the eventual fulfillment of the START-1 Treaty and the Lisbon Protocol be held in the next few days," Kravchuk noted.

Ukraine To Consult With U.S. on START II

OW0501172493 Moscow INTERFAX in English 1708 GMT 5 Jan 93

[Report by diplomatic correspondents Andrey Borodin, Dmitriy Voskoboynikov, Igor Porshnev, and others from the "Diplomatic Panorama" feature: "Ukraine Will Explain Its Attitude to Nuclear Disarmament Issues Only After Consultations With Washington"—following item transmitted via KYODO]

[Text] Ukraine's attitude to the START-2 agreement is "favorable." "However it should not be forgotten that this involves a bilateral agreement signed between Russia and the USA. To link Ukrainian missiles to a treaty Ukraine has not signed is unjustifiable and senseless," the leader of the press service of Ukraine's Foreign Ministry, Yuriy Sergeyev, told DP [Diplomatic Panorama].

According to him, Ukraine will view all nuclear missiles stationed on its territory "exclusively in the context of the START-1 agreement."

In the near future Ukraine's Foreign Ministry might come out with an explanation concerning Kiev's attitude to nuclear disarmament issues, the diplomat said. According to him, it will do so when the Ukrainian delegation led by Deputy Foreign Minister Boris Tarasyuk, chairman of the National Committee on Disarmament, returns from the USA.

The delegation includes Ukraine's Deputy Defense Minister, Ivan Bizhan, and the chief of the USA and Canada Department of Ukraine's Foreign Ministry, Yuriy Pogoyevskiy. It will be received by the American Defense Secretary, Richard Cheney. In addition, delegates from Ukraine will meet with high-ranking State Department officials.

According to Y. Sergeyev, the need to conduct political consultations between Ukraine and the USA, "particularly on the issue of nuclear disarmament," emerged long ago. The diplomat made it clear that in Washington the Ukrainian delegation intends to discuss the possibility of granting guarantees to Ukraine, and reach agreement on setting up a mechanism for bilateral consultations on military problems.

Foreign Ministry Official Warns Supreme Soviet on START

LD0501162993 Moscow ITAR-TASS in English 1503 GMT 5 Jan 93

[By ITAR-TASS diplomatic correspondents Sergey Staroselskiy and Leonid Timofeyev]

[Text] Moscow January 5 TASS—The Russian-U.S. Strategic Arms Reduction Treaty (START-2) signed on Sunday envisages unprecedented cuts by almost threefold in the world's deadliest weapons, Russian Deputy Foreign Minister Grigoriy Berdennikov said at a briefing here today.

As a result of the talks, the sides produced "a balanced document that meets the national interests of both countries and is the New Year present for the whole of mankind."

The all-important element for Russia is the real count of nuclear armaments carried by heavy bombers, which was not stipulated in previous agreements, Berdennikov said. There are also rules that will enable the sides to become convinced that these figures are real. The show of such bombers and their on-site inspections are also stipulated.

Explaining the difficulty of the talks in Geneva, Berdennikov emphasised: "We got an opportunity not to destroy silos housing heavy missiles but to re-equip 90 of them into silos for single-warhead missiles. Our specialists estimated that this is approximately 40 per cent cheaper than the building of new such facilities."

Asked about Ukraine's position regarding the START-2 treaty, Berdennikov said there is full understanding between Russia and the U.S. in what concerns Ukraine's nuclear-free status. This country should fulfil its obligations under the Lisbon protocol under which it became a party to the protocol on strategic offensive armaments but at the same time promised to join as soon as possible the Nuclear Non-Proliferation Treaty as a nuclear-free state and also to free itself up of nuclear weapons stationed on its soil within seven years.

Berdennikov stressed that the Russian Foreign Ministry is prepared for the most thorough discussion of all aspects of the START-2 treaty in parliament. However, if this document is not ratified by the Supreme Soviet, it "will strike a blow to Russia's national interests."

Comments on Cost, Ratification

OW0501180093 Moscow INTERFAX in English 1708 GMT 5 Jan 93

[Report by diplomatic correspondents Andrey Borodin, Dmitriy Voskoboynikov, Igor Porshnev, and others from the "Diplomatic Panorama" feature—following item transmitted via KYODO]

[Text] Grigoriy Berdennikov, the Russian Deputy Foreign Minister, announced at a Tuesday [5 January] briefing in Moscow that the Russian Foreign Ministry welcomes any measures which might help the Ukraine achieve its goal of ridding itself of all nuclear weapons.

Mr. Berdennikov stated that the Russian Foreign Ministry and the U.S. State Department discussed the Ukraine's demands that the weapons or any type of force not be used against them in the future. He then went on to say that Russia and the United States "are entirely in agreement concerning the Ukraine's nuclear-free status," but for the time being he wants "to refrain from any comments on this subject."

Answering a question from Diplomatic Panorama, Mr. Berdennikov said that the Ukraine should fulfill its obligations stipulated by the Lisbon Protocol. These state that the Ukraine should become one of the countries belonging to START I and that she should sign as quickly as possible the Nuclear Non-Proliferation Treaty.

The Deputy Foreign Minister also was extremely careful in rating the chances of the passage of START II through the Supreme Soviet, saying that "it is a complex and ambitious document and the ratification process may take a long time." In addition, according to Mr. Berdennikov, a rejection of the treaty would be "a serious blow" to Russia's national interests.

Answering to journalists' questions, he admitted that right now it is impossible to name "anything near an exact figure" for how much it will cost Russia to fulfill all the demands of the treaty.

Presidium Official Views START Ratification Process

LD0501143293 Moscow ITAR-TASS in English 1419 GMT 5 Jan 93

[By ITAR- TASS parliamentary correspondent Ivan Novikov]

[Text] Moscow January 5 TASS—"The ratification of the START- 2 treaty in the Russian parliament will not be easy," member of the Russian Supreme Soviet's presidium Vyacheslav Bragin told ITAR-TASS. "The apprehensions expressed on this score by President Yeltsin are certainly realistic," he added. "Indeed, there are quite a few conservative-minded deputies in the Supreme Soviet, who will do everything in their power to thwart the Russo-American treaty." "These people, as rightly noted by the president, are ready to back all the extremists, with whom the communist Soviet Union used to be linked, on whom it relied in its imperialist policy, and to whom it dished out billions of dollars," Bragin stated. "And these forces in the Russian parliament and outside it can be expected to back everything that is liable to prevent the treaty's ratification. However, not everybody backs such a policy, which is ruinous for Russia. There are sound forces in our parliament and I am sure they will display real common sense. We must renounce once and for all the strategic postulates that were in force but recently."

Bragin stressed that people, who claim that Russia has allegedly no choice but to regard the United States in its national security concept as an unfriendly power, are embarking upon a suicidal road. "It leads not merely to the exhaustion of the Russian economy, but into nowhere, into a blind alley," Bragin stated. "The fact that the Russian and American presidents have found strength and courage to renounce previous disastrous stereotypes in politics is reassuring and inspires optimism," he noted.

Yeltsin's Haste Over START II Criticized

PM0501144393 Moscow PRAVDA in Russian 5 Jan 93 p 1

[Vladimir Potapov article under the "To Disarm, but Sensibly" rubric: "We Have Been Presented With a Treaty. Let Us Take a Close Look at the Gift"]

[Text] The latest disarmament treaty with the United States, signed by Russian Federation President B. Yeltsin, is, in his own words, "our Christmas present to the peoples." After a fascinating series of figures on the nuclear weapons to be reduced, the Russian Foreign Ministry's enthusiastic report on the set topic contains panegyrics on the removal of the

most "destabilizing" element of armaments—ballistic missiles with multiple warheads. They were said to provoke a "preemptive" nuclear strike.

So as not to fall under the charm of the disarmament sirens' crushing argument, let us remember that a "counterforce" or "preemptive" nuclear strike is the crux of the U.S. military doctrine. In normal language we should say: In keeping with Washington's wishes, Russia intends to remove from its arsenal its most efficient missiles, which irritate transatlantic strategists. So there is nothing to boast of here. If you recall that the creation of these missiles was literally imposed on us by the United States and that the USSR had to cough up quite a lot of money for this in the seventies, it is worth pondering in earnest: How did these missiles so provoke America? For, at the Second UN General Assembly Special Session on Disarmament (1982), the USSR pledged not to be the first to use nuclear weapons. But the United States and its allies have not made and do not intend to make such statements, judging by the fact that this issue is bypassed and ignored there.

So the text of the "gift" will still have to be explained. It is not yet possible to make an all-embracing analysis from yesterday's Foreign Ministry report. Time is needed. The disarmament process is essential, including accords with the United States. But one is already struck by the deliberate "race for success" by foreign figures and by the creation of a sense of time pressure for Russian specialists who do not share in the official optimistic mood. We still do not know what the treaty is about, but it is already being dished up as a Christmas present.

From whom and to whom? If we are talking of the people, it is not within our power to give gifts at all. We should not say that someone is presenting the people with something today, for we will be ridiculed. But if the Russian president has in mind his own willful solution, then, because of the hasty disarmament undertaken by him and his entourage, people simply have not yet understood anything. True, the wisdom that has been acquired recently suggests that, if people are in a hurry, this means that they at once attach labels with an ulterior motive: Whoever is against the president's START II is against disarmament, and this means that they again want to wrap him around their little finger. For everyone still remembers the obdurate thesis of the reformers and destroyers: "Does this mean you are against perestroyka?..."

So the treaty has been signed. The president has done his thing. The semiofficial organ goes on about success. But what about the people's elected representatives? Theirs is not the last word either. Will they hear before ratification what the president failed to hear?

'Complex' START II Ratification Process Predicted

OW0501183893 Moscow INTERFAX in English 1746 GMT 5 Jan 93

[Following item transmitted via KYODO]

[Text] The ratification process of the START-2 Treaty in the Russian Supreme Soviet will be rather complex and hard. This prognosis was voiced in the interview with INTERFAX by the deputy chairman of the parliamentary Defense and Security Committee, Aleksander Piskunov. He underlined that "prolonged parliamentary hearings lasting for several months will be necessary to take off and to clear all issues which can appear and which this document can arouse."

According to Piskunov, the parliamentary hearings "should be more open than on the START-1 Treaty." He believes that along with the Defense Ministry experts, representatives of the research institutes and enterprises of the defense complex, Lawrence Eagleburger, the U.S. state secretary, and Mr. McCaffrey, the chairman of the U.S. chiefs of staffs committee [title as received], can address the parliamentarians during the hearings. The latter had already "expressed their readiness" to do this, Piskunov reported. Eagleburger and McCaffrey participated in the negotiations on the START-2 Treaty.

Piskunov pointed out that in accordance with the recommendations of the Russian Foreign and Defense Ministries, Yevgeniy Sergeyev, a member of the parliamentary International Affairs and Foreign Economic Relations Committee, and he were present during the negotiations in Geneva while developing the START-2 Treaty. Piskunov noted that the negotiations were being conducted in a rather complex and even sharp atmosphere." [quotation marks as received] He expressed his satisfaction that "the Russian party has fulfilled the task facing it, so to say, by 110%." He explained that, in particular, the Russian party insisted "the issues concerning the real number of the carriers of nuclear airborne weapons should obligatory be solved while during the negotiations on START-1 Treaty this had not been done." [sentence as received] This means, Piskunov underlined, that a B-1 or B-2 bomber will not be viewed as a real unit of nuclear weapons but only the number of missiles and other nuclear devices which it carries.

Russian Unity Withholds Decision on Ratification

OW0501184293 Moscow INTERFAX in English 1746 GMT 5 Jan 93

[Following item transmitted via KYODO]

[Text] The Russian Unity parliamentary alliance which belongs to the National Salvation Front will determine its attitude to the START-2 treaty after the deputies are supplied with the complete text of this treaty, co-chairman of the National Salvation Front, People's Deputy Ilya Konstantinov, told INTERFAX.

He is convinced that the complete text of this treaty, plus the protocols and supplements should be published, and parliamentary hearings be held. When this is done, the Russian Unity alliance will decide whether or not to vote for the ratification of this treaty, said Konstantinov.

Impact of CIS Claims on Russian Navy Viewed

PM0501164593 Moscow ROSSIYSKIYE VESTI in Russian 5 Jan 93 p 2

["TASS Exclusive" report by Roman Zadunayskiy: "Will Russia Become a Sea Power Again?"]

[Text] Following the breakup of the USSR the navy's shore infrastructures, which had been built up over the centuries, "suddenly" turned out to be situated on the territories of various countries, which is now creating a great deal of tension in relations between certain CIS states. Russia, which now owns practically the entire union navy, is faced with a very serious problem—it will soon have nowhere to base the ships of the Black Sea and Baltic Fleets and nowhere to accommodate the crews and the sailors' families.

Addressing a session of the roundtable on naval issues, Rear Admiral Ivan Semenov, deputy chief of the Russian Navy Main Staff operations directorate, cited some very depressing data. In the Black Sea more than 90 percent of all base facilities and of the combat personnel of the Black Sea Fleet ships are concentrated in Odessa, Nikolayev, and Kherson Oblasts. In accordance with the 3 August 1992 bilateral Yalta agreement between Russia and Ukraine, it was decided that during the transitional period until 1995 in the Black Sea Fleet "the sides will jointly use the existing system of bases and of material and technical supply. The future system of bases for the Russian Navy and Ukrainian Naval Forces will be determined by a separate agreement." But the Ukrainian Defense Ministry is now saying that the Black Sea Fleet system of bases on its territory wholly and indisputably belongs to Ukraine, and only the ships can be divided up. Not a word from Ukraine about compensating Russia for the real estate, the system of bases, and the technical and logistical facilities. If Russia agrees to this, the fleet will be entirely depriveu of bases not only for ships, but also for aircraft and shore forces.

A new system of naval bases will have to be created in the Black Sea, together with the entire combat, technical, and logistical facilities structure. Naval financial experts calculate that Black Sea Fleet capital construction on the territory of Russia's Krasnodar Kray would cost at the very least 9 billion rubles [R] (in 1991 prices). The construction process would take 12-15 years.

Where is the Black Sea Fleet supposed to be all this time?...

Four of the five former USSR naval bases on the Baltic are on the territory of Estonia, Lithuania, or Latvia. They are the naval bases in Liepaja, Ust-Dvinsk, Paldiski, and Tallinn. The Russian Navy has kept Baltiysk. About 50 percent of the surface forces and all the Baltic Fleet submarines and about 15 percent of the naval aircraft (in Suurkula, Skulte, Tukums) were based in the Baltic and will remain there temporarily. Twelve (80 percent) of the 16 Baltic Fleet dispersal points are located on the territories of Baltic states and you will also find 64 percent of all the fleet's ship-repair facilities, 75 percent of the navigation support facilities, and the main stocks of weapons and material and technical supplies, totaling 382,500 tonnes, on the territories of the three Baltic states.

It would cost around R22 billion (in terms of the prices obtaining in the first quarter of 1992) to construct a new Baltic Fleet base and would take around five to six years. Moreover, in their efforts to expel the Russian servicemen from their states as quickly as possible, the authorities in the Baltic republics are not taking into account the interests of people who are having to go no one knows where. The sailors themselves reckon that the realistic timeframe for the withdrawl of the fleet's main forces is 1995-97, while for some Baltic Fleet facilities, Paldiski, for example, which will involve complex land recovery and recultivation, it will be 1998-2000.

As for the Caspian Flotilla, Russia has lost nearly all its shore infrastructure because it has been unilaterally seized by the Azerbaijan Defense Ministry. Russia's losses amount to R2 billion, and it would take another billion to construct a new flotilla base in Astrakhan over a period of five to six years.

The more concessions Russia makes as far as fleet bases are concerned, the greedier our neighbors get, said retired Justice Major General Petr Barabolya, chairman of the international "Peace for the Oceans" committee, one of those behind the convening of the roundtable. He reckons that the figures for Russia's "naval losses" are considerably higher.

According to our data, Gen. Barabolya continued, the Baltic Fleet is leaving behind in the Baltic region military property, production and housing stock, and base equipment worth about R1 trillion. It will take five years and around R900 billion to create a new shore infrastructure for the Baltic Fleet.

Black Sea Fleet: It will take 10-12 years and cost R1 trillion in current prices to create new naval bases.

As it scrapes for funds to carry out the economic reform, Russian appears not to notice the vast wealth that is being seized by the other republics. One would agree that Ukraine had a large share in the construction of the Black Sea Fleet shore infrastructure. But the claims by the Baltic states, Georgia, and Azerbaijan, whose industries were barely involved in this process, are illogical.

Of course, the present Russian Federation is not the old Russian Empire, and its geopolitical interests are significantly narrower. At the same time, neglect of the navy's interests could greatly undermine its combat readiness and cause Russia's international prestige to decline.

ITAR-TASS Reviews Press for 6 Jan

LD0601063693 Moscow ITAR-TASS in English 0544 GMT 6 Jan 93

["Press Review"—ITAR-TASS headline]

[Text] Moscow January 6 TASS—Comments on the results of the Russian-U.S. summit in Moscow on January 2-3 and the signing of the second strategic arms reduction treaty (START-2) by Russian President Boris Yeltsin and his U.S. counterpart George Bush remain the main topic in today's Russian newspapers. Varied evaluations of the event are expressed in the press.

KRASNAYA ZVEZDA (RED STAR), carrying the main provisions of the START-2 Treaty, emphasises in particular that the document signed by the presidents of the two countries is oriented towards "a future free from fear."

Herein "one sees a high moral value of the newly signed agreement which not only leads to a considerable reduction in nuclear weapons but will also, undoubtedly, serve the development of close cooperation, partnership and lasting friendship between the two great peoples."

PRAVDA and SOVETSKAYA ROSSIYA take a different view of the START-2 Treaty. PRAVDA, for example, questions the realistic nature of the treaty itself "without the participation of Ukraine, Belarus, and Kazakhstan" and expresses doubt as to "whether it meets the national interests of Russia." Vladislav Drobkov, the newspaper's Washington correspondent, points out in this connection that "hopes for American equal 'partnership' and lavish financial aid seem rather fragile."

SOVETSKAYA ROSSIYA criticises the activity of the Russian Foreign Ministry and its leader, through the fault of whom, the newspaper believes, the START-2 Treaty has become inequitable to Russia.

In this connection SOVETSKAYA ROSSIYA [word indistinct] the argument that under the treaty provisions "by the year 2003 Russia is to have 3,000 nuclear warheads whereas the United States would have 3,500 ones."

NEZAVISIMAYA GAZETA (INDEPENDENT NEWSPAPER) carries a brief summary of the interview which Russian Foreign Minister Andrey Kozyrev gave to the newspaper's correspondent on the eve of his trip to northern Russia and subsequently to Norway, Finland, and France.

The interview, which is to be published in the newspaper in full later on, dealt with the results of the work of the Congress of the People's Deputies of Russia and the elucidation of the Russian Foreign Ministry's stand as regards prospects for Russia's relations with Western and other countries.

Kozyrev pointed out in this connection that he is "far from recognising himself as a total adherent to 'shock therapy' in foreign policy in the manner demonstrated in domestic policy by former head of the Russian Government Yegor Gaydar."

KRASNAYA ZVEZDA and NEZAVISIMAYA GAZETA report in detail the results of a consultative meeting between Ukrainian President Leonid Kravchuk and the leaders of the republic's political parties and movements.

The two newspapers in their headlines quote the Ukrainian president's statement at the meeting that "Ukraine will not sign the CIS charter" because it, in the opinion of the head of the Ukrainian state, "does accord with the legislation and national interests of the republic." [sentence as received]

All newspapers run numerous articles on the occasion of the forthcoming official celebration of Christmas on January 7 by the Russian Orthodox Church and the people of Russia, for the first time over the period of more than 70 years.

The press carries pronouncements by clergymen on the occasion and articles about the history of the celebration of Christmas in Russia prior to 1917 and the history of the Russian Orthodox Church.

NEZAVISIMAYA GAZETA carries a big article about Partiarch Aleksey II of Moscow and all Russia and his activities at the post of the head of the Russian Orthodox Church.

Intelligence Service Denies Increasing U.S. Operations

OW0501173793 Moscow INTERFAX in English 1709 GMT 5 Jan 93

[Report by diplomatic correspondents Andrey Borodin, Dmitriy Voskoboynikov, Igor Porshnev, and others from the "Diplomatic Panorama" feature—following item transmitted via KYODO]

[Text] The FBI allegations that in 1992 the activity of the "KGB and GRU" in the USA increased by 12% are not true, a member of the press bureau of Russia's Intelligence Service, Vladimir Karpov, told DP [Diplomatic Panorama].

According to him, in the 1993 fiscal year, allocations for the needs of the CIA and the FBI will be cut by about 10%. Besides, the staff of American secret services will be reduced by 18% "in the framework of budgetary economy". "It's natural, therefore, that the CIA and the FBI want to minimize such reductions. That is why they have exaggerated the issue of Russian espionage," said V. Karpov.

"We can understand it, of course. Nevertheless it is clear that an expansion of activity on the part of the Russian Intelligence Service in the USA is out of the question. On the contrary, such activity was curtailed," DP's interviewee said. According to him, in 1992 Russia's Intelligence Service reduced its personnel abroad by about 50% and shut down 30 of its bases in foreign countries.

The range of tasks faced by the Intelligence Service is "much narrower" than that faced by the former KGB, said V. Karpov. He made an example: groups, whose task was to collect information on when a nuclear attack on the USSR could be launched, operated in the USA. They despatched a cable that the Americans showed no signs of such an activity to the "center" once every two weeks. "This direction of work has been abolished," said V. Karpov.

According to him, Russia's Intelligence Service is no longer interested in the situation of small political parties, such as groups of communist orientation, in the USA.

Commentary Views Planned Yeltsin-Clinton Meeting

LD0501175293 Moscow Radio Moscow World Service in English 1210 GMT 5 Jan 93

[Commentary by Yuriy Solton]

[Excerpts] Russian President Boris Yeltsin and U.S. President-elect Bill Clinton plan to meet shortly if circumstances permit. They agreed to meet during a 20-minute telephone conversation on Monday. Comment is by Yuriy Solton and this what he writes.

Mr. Yeltsin and Mr. Clinton seem to agree that there should not be a pause in the development of relations of partnership between Russia and the United States which, under the outgoing Bush administration, were crowned with a treaty on a further reduction of strategic arms—START II. [passage omitted]

Pessimism on the treaty's coming into force, voiced today by some observers and politicians, seems to be hardly justified. Some refer to the opposition in the Russian parliament and the U.S. Senate and to the position occupied by Ukraine. While one cannot deny the fact that both in Russia and the United States there are politicians and representatives of the military-industrial complex who show a negative approach to any disarmament agreements, hopefully, the majority of these understand the historic importance of the new treaty, both for the drastic reduction of the burden of the two countries' armaments and for strategic stability at a lower level. [passage omitted]

Indeed, disarmament problems, their positive solution by Russia and the United States, play a tremendous role in strengthening international security. But also significant is the stabilization of the situation in the world and the development of cooperation between the two countries in the political and economic spheres. The planned working meeting between Boris Yeltsin and Bill Clinton is called upon to strengthen this cooperation.

'Sources': Kozyrev, Christopher To Meet Soon After 20 Jan

OW0501173093 Moscow INTERFAX in English 1707 GMT 5 Jan 93

[Report by diplomatic correspondents Andrey Borodin, Dmitriy Voskoboynikov, Igor Porshnev, and others from the "Diplomatic Panorama" feature—following item transmitted via KYODO]

[Text] DP [Diplomatic Panorama] learned from well-informed sources close to Russia's Foreign Ministry that the proposed meeting between the Russian President, Boris Yeltsin, and the American President-elect, Bill Clinton, will be preceded by a conference between the heads of their diplomacies, Andrey Kozyrev and Warren Christopher. The Russian foreign minister and the new American secretary of state are likely to confer soon after Clinton's inauguration on January 20.

According to the same sources, the ministerial meeting, during which the time for a Russian-American summit might be fixed, will be held in a "third" country.

During Monday's [4 January] telephone conversation between B. Yeltsin and B. Clinton, it was stressed that a working meeting between the two presidents should be conducted to avoid a pause in the practical efforts aimed at implementing the START-2 agreement, signed between Russia and the USA in Moscow on January 3. B. Clinton described the signing of START-2 as a

historical event of the 20th century, and said that he will do all he can to carry out all provisions of this extremely important document.

Yeltsin To Visit India, Meet Prime Minister, President

OW0601094193 Moscow INTERFAX in English 0916 GMT 6 Jan 93

[Following item transmitted via KYODO]

[Text] Russian President Boris Yeltsin will pay an official visit to India from January 27 to 29 on the invitation of the Indian leaders, the Russian President's press service announced.

The Russian Foreign Ministry informed INTERFAX that during his visit Boris Yeltsin will have talks with the Indian prime minister and with the Indian president.

The Russian and Indian leaders are expected to sign the Treaty of Friendship and Cooperation, and to conclude a number of other bilateral agreements.

Japan Signals Changes in Approach to Russia

PM0501132993 Moscow IZVESTIYA in Russian 5 Jan 93 Morning Edition p 1

[Sergey Agafonov report: "Tokyo Gives Signal That There Could Be Changes in Its Approach to Russia"]

[Text] Tokyo—Prime Minister Kiichi Miyazawa's comments at a recent news conference that the key area of Japanese diplomacy will be the organization in Tokyo of a meeting of G-7 leaders whose agenda will be the problem of assisting the Russian reforms sounded like a kind of policy statement.

Russia, in Miyazawa's opinion, will be one of the G-7's most important tasks in 1993. Other items mentioned by the prime minister were the problem of improving the world economy and providing assistance to developing countries.

How Tokyo intends to tackle the problem of providing aid to Russia, the prime minister did not say. Whether the Russian president will be invited to the Japanese capital to take part in events at the G-7 level also remains unclear. However, these are now mere nuances. In effect Miyazawa has announced a qualitatively new approach to contacts with Moscow. Whether such an interpretation is correct only will become clear in the next few months, but meanwhile it is worth noting that the most painful topic in the Japanese-Russian dialogue, the territorial issue, was not mentioned in the prime minister's speeches in the run-up to the New Year, nor was it broached at all by other members of the Japanese Cabinet.

At the same time officials at various levels have returned often to the topic of Boris Yeltsin's visit to Japan that never was. Nothing definite has been said, but the implication has been that the Russian leader's visit to Tokyo should nevertheless take place.

A new public movement connected with Russia has been launched in Japan. It is headed by the well-known physicist Akito Arima, president of the country's most prestigious university, Tokyo University. The movement sets itself the task of returning hard-up Russian scientists to the world of big-league science by inviting them to work in Japan. As YOMIURI remarks, since the disintegration of the USSR, Arima has visited several laboratories in the United States and has discovered to his surprise that more than half the researchers working in them are from Russia. That, the newspaper writes, reminded him of the situation of mass "scientific emigration" by Jewish scientists to the United States during the Nazi period, which "turned science upside down" and laid the foundation for those achievements which the world enjoys today. Scientists from the former Soviet Union can perform the same role for Japan as Einstein did for the United States, according to the president of Tokyo University, who has launched a fund-raising campaign for the mass recruitment of our specialists for Japanese laboratories.

Foreign Ministry Official Views Bosnia Talks

LD0501170393 Moscow ITAR-TASS World Service in Russian 1610 GMT 5 Jan 93

[Text] Moscow, 5 Jan (ITAR-TASS)—A Russian Ministry of Foreign Affairs spokesman was highly positive in his assessment of the results of the first round of Geneva talks on the crisis in Bosnia. His statement, which was distributed today, says that "it is promising in itself that for the first time since military action began in that Republic all three sides involved in the conflict have come to the negotiating table and have adopted as a basis the package of accords put forward by the co-chairmen of the Coordinating Committee, Cyrus Vance and David Owen, including an agreement on a cease-fire and the separation of troops and a plan for a constitutional structure in Bosnia-Hercegovina." In his opinion, the sides have managed to lay the basis for the talks to be held on 10 January.

The Russian side, the spokesman noted, "rates very highly the actions of Vance and Owen" toward reaching a settlement in Yugoslavia. In preparing for the next round of talks, "it is essential that the leaders of all sides involved in the conflict take advantage of the opportunity for peace that has opened up," the statement stresses. According to the spokesman, this "is of decisive significance for the further course of events in Bosnia-Hercegovina and the former Yugoslavia as a whole."

Foreign Ministry on Azerbaijan-Armenia Conflict

LD0601120393 Moscow ITAR-TASS World Service in Russian 1015 GMT 6 Jan 93

[Text] Moscow, 6 Jan (ITAR-TASS)—The Russian leadership expresses profound concern at the fact that

combat actions are continuing along the Azerbaijan-Armenian border, there is spasmodic firing on settlements and people are dying, says a statement of the Russian Federation's Ministry of Foreign Affairs issued today by the Press and Information Department of the Russian Federation Ministry of Foreign Affairs. Hamlets and villages on both sides of the border are being subjected to artillery fire and destruction. The blood of civilians is being spilled—Armenians, Azerbaijanis, and representatives of other nationalities. Recently villages inhabited by Russian members of a prayer society who have lived and worked there for more than 150 years have been in the zone of artillery and rocket fire. Throughout December the rayon center of Krasnoselsk, on Armenian territory, has, among others, been subjected to intensive firing.

All of this cannot fail to concern the Russian public or to arouse in them sentiments of strong protest, the statement of the Russian Federation Ministry of Foreign Affairs notes.

"We call on the parties to the conflict immediately to cease firing on civilian settlements, in general not to allow the combat zone to widen and, rather, to move toward the cessation of the fratricidal war in the Nagorno-Karabakh region. It is clear that it has long been time to reach agreement on a cease-fire and pursue serious talks on settlement of the conflict by political means," the statement says in conclusion.

Spokesman Says Israeli Deportations Violation of Law

LD0501164693 Moscow ITAR-TASS in English 1512 GMT 5 Jan 93

[By ITAR-TASS correspondent]

[Text] Moscow January 5 TASS—Russia does not support the deportation of 400 Palestinians from Israel, according to a spokesman of the Foreign Ministry.

Moscow does not support the actions of Israel and qualifies them as a violation of international law, Sergey Yastrzhembskiy said at a briefing on Tuesday.

Russia hopes that the problem will be solved in the framework of initiatives of the U.N. secretary general, he added.

On Chemical Weapons Convenetion

LD0501170893 Moscow ITAR-TASS in English 1402 GMT 5 Jan 93

[By ITAR-TASS diplomatic correspondents Sergey Staroselskiy and Leonid Timofeyev]

[Text] Moscow January 5 TASS—Russia will sign the convention banning the research, production and accumulation of chemical weapons and on their elimination, according to spokesman of the Russian Foreign Ministry.

The signing of the document will take place in Paris on January 13-15, Sergey Yastrzhembskiy said at a briefing on Tuesday.

Russia hopes that the convention will become a universal international legal act prohibiting the whole class of "barbaric weapons of mass destruction", he added.

Welcomes Azerbaijan's Release of Army Officer

LD0501202293 Moscow Radio Rossii Network in Russian 1700 GMT 5 Jan 93

[Text] At a briefing in Moscow, Sergey Yastrzhembskiy, director of the Department for Information and the Press of the Russian Ministry of Foreign Affairs, welcomed the handover of Russian Army Lieutenant Yevgeniy Lukin to Russia by Azerbaijan. Yastrzhembskiy noted the constructive position of the republican leadership and personally thanked President Abulfaz Elchibey on this issue.

I will remind you that Lieutenant Lukin was arrested in connection with a tragic episode at the gate of a military unit in Baku in 1991; he was tried and sentenced to death by the Azerbaijani court. After the Russian side interceded, the verdict was revoked and the case was forwarded for further investigation.

Military Delegation Ends Visit To UAE

LD0501185893 Moscow ITAR-TASS in English 1725 GMT 5 Jan 93

[By ITAR-TASS correspondent Viktor Lebedev]

[Text] Abu Dhabi January 5 TASS—A Russian military delegation, headed by Commander-in-Chief of the Russian Air-Defence Troops Colonel-General Viktor Prudnikov after Russian Defence Minister Army General Pavel Grachev left home on family reasons, today completed its visit to the United Arab Emirates.

The delegation was received today by head of the Emirates' Armed Forces General Staff Shaykh Muhammad Bin-Zayed Al Nuhhayan. They also met Emirates Minister of State for Foreign Affairs Shaykh Hamdan Bin-Zayed Al Nuhhayan to continue the discussion of the Russian-Emirates relations in various spheres, including the military-technical.

On Monday the delegation headed by Grachev was received by Emirates President Shaykh Zayed Bin-Sultan Al Nuhhayan and Defence Minister Shaykh Muhammad Bin-Rashid Al Maktum.

On the same day, a Russian-Emirates protocol on coordination and understanding was signed. The Russian side confirmed its readiness to positively consider Emirates' proposals on cooperation in the military sphere.

Shaykh Muhammad Bin-Zayed Al Nuhhayan told ITAR-TASS he is deeply satisfied with results of the

meetings at all levels in Abu Dhabi and called for the development of bilateral contacts.

Today the military delegation headed by Prudnikov left for Kuwait.

Grachev Comments on Security Agreement with UAE

LD0501215093 Moscow Russian Television Network in Russian 2000 GMT 5 Jan 93

[from the "Vesti" newscast]

[Text] Pavel Grachev has returned from his trip to the United Arab Emirates. The defense minister stated that the Persian Gulf region is an extremely important region for Russia's interests. At a news conference he stressed that his trip showed Russia's readiness to play a role appropriate for a superpower in that region. After a meeting with the UAE leaders, Grachev signed a security agreement which provides for the delivery to that country of anti-aircraft systems, combat aircraft, and other military equipment. The agreement also provides for the presence of Russian naval forces in the Persian Gulf.

Arms Sales Not Sole Aim of Grachev's Aborted Gulf Tour

PM0501134193 Moscow IZVESTIYA in Russian 5 Jan 93 Morning Edition p 2

[Viktor Litovkin report: "Russia's Defense Minister Has Interrupted His Visit to the Arab Emirates, but Cooperation Between the Two Countries' Military Departments Will Continue"]

[Text] Army General Pavel Grachev, Russia's defense minister, has unexpectedly interrupted his visit to Abu Dhabi, capital of the United Arab Emirates, which had been scheduled to take place over three days and had barely gotten under way. He flew back to Moscow on the afternoon of Monday 4 January owing to the death of his father, who lived in a small settlement near Tula.

As ITAR-TASS announced, Pavel Grachev was to have discussed questions of military cooperation between the two countries in Abu Dhabi with UAE Defense Minister Rashid al-Maktum, Chief of the General Staff Zayid Al Nuhayyan, and other Emirate officials. He had also been scheduled to meet with UAE President Shaykh Al Nuhayyan.

AFP reported, citing "Russian sources," that the purpose of the Russian minister's trip to the UAE was the sale of weapons.

IZVESTIYA's military observer was told at the Russian Defense Ministry that it is wrong to interpret the developing relationship between Russia and the Arab world so narrowly. The chief purpose of Pavel Grachev's visit was to gain a closer acquaintance with the country and its leadership, including the military leadership, and to strengthen mutually beneficial cooperation, again including cooperation in defense policy. As for the sale of weapons, in Russia this right belongs to one organization alone—the Ministry of Foreign Economic Relations, although it, of course, does rely on the experience and knowledge of Defense Ministry experts.

But in my view there is no need to make a great secret of military cooperation between Arab countries and Russia. It is well known that the Russian infantry fighting vehicle (BMP-3) is "roaming" Arab sands after having shaken off some very strong competition from its American, French, and Italian counterparts. The vehicle, manufactured at "Kurganmash," has proved truly excellent. It is light, mobile, very fast, and powerfully armed; and, most important of all, it can negotiate desert expanses no less adeptly than a Japanese Toyota.

And it was there, in the Persian Gulf region, that our T-72 tank proved itself brilliantly during the war against Iraq as part of the Syrian troops' arsenal. Not a single Russian vehicle was immobilized during the long days of marching across the sands, and the same cannot be said for other countries' hardware.

The Arab military has a well-known interest in our MiG-29 and Su-27 aircraft, our artillery, and our anti-aircraft complexes and systems. Including the "Russian Patriot"—the S-300, its brother in arms, the S-300V, the "Tor," the "Buk," and others. IZVESTIYA has already reported on their tactical-technical detail and combat superiority compared with similar systems.

Russia does not conceal its desire to trade its weapons with Arab countries. Vladimir Shibayev, first deputy minister of foreign economic relations, stated as much in a conversation with me. At the same time complying, naturally, with all existing norms and regulations in this specific area of international relations, and preserving the natural balance of forces by not creating any combat advantages for anybody, or, more especially, the potential for aggression.

Indeed, like oil, gas, and diamonds, Russian weapons are naturally competitive goods on the international market capable of bringing in hard currency, at the same time helping more smoothly to effect the conversion of Russian military enterprises without destroying their productive and intellectual potential.

Incidentally, in February this year an international exhibition of arms and combat hardware opens in Abu Dhabi. Russia is prepared to submit to it the broadest possible range of its wares and to conduct field tests within the framework of this exhibition. So, although the Russian defense minister's visit was unfortunately interrupted without warning, military cooperation between Russia and Arab countries will, to all appearances, be continued.

Ukraine Refusing To Honor Deal on USSR Debts, Assets

PM0501140193 Moscow ROSSIYSKIYE VESTI in Russian 5 Jan 93 p 1

[Article by Yuriy Popov: "A Monkey Wrench in the Works...."]

[Text] The new year was barely in when the news agencies transmitted some disturbing news from Ukraine: The republic government has refused to transfer to Russia the rights and means to manage the Ukrainian part of the foreign debt and financial assets of the former Union. A note on this New Year "gift" was handed to the Russian Foreign Ministry 31 December.

This came as a complete surprise to those who are familiar with the intricacies of Russia's very difficult negotiations with foreign creditors on rescheduling the foreign debt of the Union following its breakup. In the final days of the old year Petr Aven, now retired, told me in conversation that he had returned in good spirits from a recent trip to France where there had been another working meeting on debt settlement. According to him, the sides had made great strides and an agreement was practically ready. "We were on the brink of concluding it," he said. "And if I had stayed, I would have signed it in January." He then added that it would inevitably happen without him anyway.

It is perfectly obvious that this progress was also made possible by the fact that Russia represented all the interested former Soviet republics at the talks, including Ukraine: An intermediate bilateral protocol had been concluded with it on this matter 23 November. The plan was that an interstate treaty concerning legal succession to the foreign debt and assets would be signed before the end of the year. Then, on the last day of the year, the Ukrainian leadership refused to implement the earlier accord.

I believe that the news was like a bolt from the blue for the Western creditors too. How will they react? In all probability, the process of agreement with them will start to drag: Indeed just before Christmas they were saying that they would only conduct a dialogue on the issue with Russia, and the independent republics could agree among themselves on a bilateral basis.

To be frank, the note's words to the effect that Ukraine is prepared to hold talks with Russia "concerning a fair solution to this problem" sound very vague. Our information is that Kiev was insisting that the assets of the former USSR due to it should be added up, evidently fearing a blunder: What if they turn out to be greater than its share of the debt. Yet it must be clear even to the Ukrainian specialists that it is simply impossible to carry out such incredibly complicated and laborious work in such a short time, if only for technical reasons. It will probably take at least six months and cost a considerable amount of money. Moreover, it is perfectly possible, most likely in fact, that the assets will be less than the debt. So the hints at an unfair solution look totally unfounded, if this is what is behind them.

How is one to take the Ukrainian note? As an attempt to pressurize Russia. Despite the fact that Kiev has never paid anything toward the debts? As an intention to get the Paris Club to contribute to the pressure on Russia?

One way or another, Kiev's step just does not equate with the idea of wanting to solve the problem that affects the interests of not two, but a whole group of states calmly and sensibly, without unnecessary complications. And the words to the effect that "Ukraine was not to blame" for the failure to reach an accord with Russia are totally inexplicable. Why make the difficult solution of a question of equal concern to Russians, Ukrainians, and the populations of many other independent republics even harder by making such a transparent accusation?

I believe that sooner or later we will reach an accord with the Paris Club and we will manage to find a way out of the situation. Obviously, an accord will be reached with Ukraine as well. But all this could be achieved much more easily and more quickly if no monkey wrenches were thrown into the works of negotiations which are encountering problems as it is.

Kozyrev, Greek Deputy Foreign Minister Discusses Balkans

NC0501204093 Athens Elliniki Radhiofonia Radio Network in Greek 1800 GMT 5 Jan 93

[Text] Deputy Foreign Minister Viryinia Tsoudherou held talks in Moscow today with Russian Foreign Minister Andrey Kozyrev and Deputy Foreign Minister Churkin. Their discussions were conducted in a particularly positive climate, and they established an identity of views on settling the Bosnian issue peacefully and on the dangers military intervention would create for peace in the Balkans. The interlocutors also expressed reserved optimism over the progress made thus far in the Geneva peace talks.

The Russian side was sensitive to the Greek position on the question of Skopje's accession to the United Nations and promised to take our arguments into consideration. It also gave that assurance that it does not intend to ask that the relevant process be accelerated. Russia also showed interest in its accession to the Council of Europe, its association with the EC, and the visit President Boris Yeltsin is planning to make to Greece.

Chernomyrdin To Take Part in Meeting With Kazakhstan

LD0601090593 Moscow ITAR-TASS World Service in Russian 0846 GMT 6 Jan 93

[By ITAR-TASS correspondent Ivan Ivanov]

[Text] Moscow, 6 January—Viktor Chernomyrdin, chairman of the Council of Ministers of Russia, will as expected be taking part in a session of the heads of

administration of the neighboring oblasts of Russia and Kazakhstan, which is to be held in Omsk on 8 and 9 January. The ITAR-TASS correspondent was told this today at the press office of the Russian Government. It is planned to adopt a number of accords on setting up closer cooperation among the neighboring oblasts of the two states on the basis of the results of the session.

It is also expected that, while in Omsk, Viktor Chernomyrdin will meet Kazakhstani Prime Minister Sergey Tereshchenko.

Moscow, Denmark Sign Environmental Protection Agreement

LD0501201293 Moscow ITAR-TASS in English 1433 GMT 5 Jan 93

[By ITAR-TASS correspondent Veronika Romanenkova]

[Text] Moscow January 5 TASS—A Russo-Danish agreement on the protection of the environment, signed in Moscow today, stipulates efforts to improve the environment in Russia and Denmark, as well as in the countries of Northern Europe and the Baltic area.

In accordance with this Russo-Danish document, specialists will introduce new technologies at existing industrial enterprises, harming the environment, will improve ecological legislations and exchange information. Much attention is expected to be devoted to the collection, processing, utilisation, and control over the movement of toxic wastes.

According to Russian Minister for Ecology Viktor Danilov- Danilyan, concrete results will be yielded by today's agreement already this year. For instance, nature protection measures will be taken in 1993 in Kaliningrad and Leningrad regions of Russia, and later in Novgorod and Pskov regions. The borders of "ecologically clean zones" will be further expanded in the future.

The agreement was signed for an indefinite period and will remain in force until one of the sides declares its intention to abrogate it.

Denmark, Norway To Build Housing for Baltic Troops

LD0501201893 Moscow ITAR-TASS in English 1437 GMT 5 Jan 93

[By ITAR-TASS correspondent Sergey Ostanin]

[Text] Moscow January 5 TASS—Denmark and Norway will join the Baltic states in building housing for the Russian troops withdrawn from Lithuania, Latvia and Estonia.

Details of the Danish and Norwegian participation in the project were discussed at a meeting of Deputy Russian Defence Minister Vladimir Toporov and representatives of the Baltic states, Denmark and Norway on Tuesday.

It was agreed to continue contacts on the issue, TASS was told at the press service of the Defence Ministry.

A multi-storeyed house for Russian officers of St. Petersburg garrison and those withdrawn from the Baltic states will be built thanks to Danish investors in St. Petersburg. The apartments will become property of the officers.

A permission for the construction was issued by the city mayorate.

Georgia Seeking Extension of Technical Credits

OW0501223493 Moscow INTERFAX in English 1748 GMT 5 Jan 93

[Following item transmitted via KYODO]

[Text] On Tuesday [5 January], Georgia's government delegation, led by Vice-Premier Roman Gotsiridze, had talks in Moscow with Chairman of the State Committee for Economic Cooperation with the CIS States Vladimir Mashyts. The subject of the talks was the extention of technical credits to Georgia. On the same day, the two states' experts discussed the procedure of extending such credits.

On the eve of the talks, Roman Gotsiridze expressed his concern about Georgin-Russia credit and financial relations. He said that Russia no longer supplied Georgia with cash.

Besides that, Georgia intends to discuss the possibility of resuming energy supplies from Russia to Georgia.

Economic & Agricultural Issues

Premier Chernomyrdin Meets Enterprise Leaders in Moscow

Outlines Program for 'Crisis'

LD0501182393 Moscow ITAR-TASS World Service in Russian 1705 GMT 5 Jan 93

[By ITAR-TASS correspondent Ivan Ivanov]

[Text] Moscow, 5 Jan—The results of the first year of economic reforms in Russia "do not justify euphoria." This was stated today by Viktor Chernomyrdin, chairman of the Russian Council of Ministers, in his keynote speech at a meeting at the Moscow Mayoralty with the heads of Moscow enterprises and organizations of all forms of ownership.

He stressed that "the economic crisis is as dangerous as ever." The gamble on a liberalization of prices and of foreign economic activity, the tightening of financial and monetary credit policy, the introduction of a single ruble exchange rate, and extensive privatization have enabled the economy to be freed from its command-administrative trammels.

However, stressed Viktor Chernomyrdin, who was ratified as prime minister less than a month ago by the Seventh Congress of People's Deputies of Russia, the calculation that "liberalization of prices and tough financial restrictions would enable the creation of a competitive economic environment and the motivation of behavior of the state enterprises to be changed" has not been justified.

On the contrary, he stressed, "against a background of an unremitting increase in prices, the trend toward declining production, investment activity, and living standards has intensified." The premier expressed the view that possibly the main miscalculation in economic policy in 1992 was precisely that it proved impossible to organically link the aims of financial stabilization with the phased restructuring of the economy and new investment policy guidelines.

Improvisations in economic policy should be replaced by cold calculation and practical organizational ability, by a phased and consistent relaxation of the burden of problems which have grown acute and more than acute, Viktor Chernomyrdin stated.

Setting out his action program, Viktor Chernomyrdin stated: "I am in favor of the strategy of reforms worked out by the government."

The head of the Russian Cabinet stressed that he is in favor "of a deepening of the socioeconomic transformations outlined in the relevant program documents", "of massive privatization, of the citizens of Russia finally acquiring the portion of state property that is their due", "of strong stabilization measures, of restraining inflation", "of getting out of the crisis at a faster rate, and of the rebirth of Russia as a great, democratic, and free power."

"In short, I am in favor of strengthening the social orientation of reform, bringing it closer to the individuals and their interests and to the deep-seated national interests of Russia. I will do everything to ensure that the government headed by me implements these tasks," he stressed.

Speaking about positive aspects in the implementation of the reform program in 1992, Viktor Chernomyrdin stressed that "it proved possible to save the financial system from collapse," there were many positive improvements in the work of a number of sectors and regions, and the trend toward an average daily growth in production, discerned since October, is also continuing.

Discusses Government Tasks, Policies

LD0501201593 Moscow ITAR-TASS World Service in Russian 1820 GMT 5 Jan 93

[By ITAR-TASS correspondent Ivan Ivanov]

[Text] Moscow, 5 January—The government's main task at the present stage is to "slow down and then halt the slump in production," Russian Council of Ministers Chairman Viktor Chernomyrdin said today at a meeting with the heads of Moscow enterprises and organizations of all forms of cooperation.

Viktor Chernomyrdin also stated that he intends to "correct mistakes," strengthen the "role of the state as owner of the main mass of industrial potential," and protect "state property from illicit sell-offs." He noted that "only through an effectively operating state sector can we improve all the other sectors of our economy."

Regarding privatization as "a key direction" of the reform at its present stage, Viktor Chernomyrdin said he will continue the work "in this direction," taking consideration for "the real state of the economic environment and the national economy's structure that has taken shape."

On government policy in the sphere of remuneration of labor, Viktor Chernomyrdin stated that the government will not permit a freeze of wages and prices.

In connection with this, during the period of overcoming the crisis the head of the Russian cabinet considers it possible to "envisage supporting socially acceptable prices for a number of foodstuffs and medicines by providing targeted grants to the producers." He stressed: "In the acute phase of the crisis one should refrain from major transformations and sharp changes in the municipal economy, public transport, health, and the systems of children's institutions and public education, and endeavor to preserve the maximum of what has been turned out and created in this sphere."

Speaking of the importance of observing the interests of Russia, Russian citizens, and enterprises, Viktor Chernomyrdin stated that "the Russian economy should be

independent and self-reliant, and it should be built first and foremost in the interests of Russian citizens and Russian capital."

Turning to the question of attracting foreign investments, the prime minister expressed the view that foreign partners show "no particular zeal" in this area.

Speaking of the problems of relations within the CIS, the prime minister stressed that Russia's priority here lies in "establishing normal economic ties, setting up a well thought-out system of relations based on multilateral and bilateral agreements, and clearly defining the ruble zone." He added: "We should not lose all the good things that have been building up for decades. Yet at the same time we also have to take new realities into account."

In conclusion Viktor Chernomyrdin stressed that "a repudiation of the reform strategy would be a repudiation of the very prospect of reviving the fatherland, and of the implementation of the deep national interests of our Russia." He said that today the government needs "businesslike people" who "will not lose heart, will not dither." "We await these people," he noted. "In a word, people who want to work together in the difficult field of reform will work. As for people who decide to move aside, God will be their judge," Viktor Chernomyrdin said.

Viktor Chernomyrdin stressed: "The continuation of reform is the main course. Not to turn away from it, not to dash from side to side, but consciously, working through stage by stage, to move forward, checking one's course first and foremost against the living standards of one's own people and the well-being of one's own country."

On Government Program, Team

LD0601074093 Moscow ITAR-TASS in English 0708 GMT 6 Jan 93

[By ITAR-TASS correspondent Ivan Ivanov]

[Text] Moscow January 6 TASS—Reforms in 1992 "give no grounds for euphoria", Russian Prime Minister Viktor Chernomyrdin said before Moscow industrialists on Tuesday.

He stressed that "the crisis in economy remains dangerous". The liberalisation of prices and foreign economic activity, the tough financial policy, the introduction of a single rouble exchange rate and privatisation allowed to free the economy from the command and administrative management.

However, the hope that free prices and tough financial limitations can create competition in economy and change the motivation of behaviour of state enterprises failed, according to Chernomyrdin.

On the contrary, he added, "on the background of continuing growth of prices the tendency towards decrease in production, in investment activity and living standards strengthened".

"Improvisation in economic policy should be replaced by cold calculation and practical organisation of work", emerging and existing problems should be solved gradually and by phases, according to the prime minister.

"I support the strategy of reforms worked out by the government". "I shall do all I can to implement the course of the president and the course of the Congress" of People's Deputies, he added.

Privatisation remains the "key direction" of reform at the current stage and Chernomyrdin promised to continue it taking into account "the real state of economic environment and the existing structures in economy". He added he will protect "state property from unlawful sales".

The prime minister said the major task of the government is to end the industrial slump in the country and "take measures of reasonable support to enterprises". State support will be linked with greater responsibility of enterprises for its effective use, he added.

A two-year long federal programme of development of basic branches of industry has already been worked out and will be soon discussed by the government. The programme envisages measures to stabilise certain branches of economy and gradually switch the military-industrial complex to civilian production. Among other major tasks he listed curtailing inflation and "work to strengthen taxation discipline".

"It is only through an effectively-functioning state mechanism that we can develop all other sectors of our economy", the prime minister said in his 30-minute long speech.

"I stand for socially-oriented economy which meets the interests of man, the deep national interests of Russia. I shall do everything so that the government I am heading fulfils the task", the prime minister pledged.

The financial system was saved from collapse and positive changes emerged in several branches of economy and regions. The daily production growth which has taken shape in October continues, Chernomyrdin said.

Speaking before Moscow industrialists on Tuesday, he said he is going to "correct mistakes" and strengthen the "role of the state as the proprietor of the bulk of industrial potential".

The prime minister said wages and prices would not be frozen in Russia, but added that "wages should be eared and linked to the final result of labour", while prices on certain foodstuffs and medicines should be made socially acceptable "by purpose-oriented subsidies to producers".

"In the acute crisis one should avoid major transformations and sharp turns in communal and health services, public transport, child care, education. Maximum of what has been achieved in the spheres should be preserved", the prime minister said.

Chernomyrdin said the government needs "business-like people", but added he does not want to "reject" anyone from his team. "In a word, those who want to work in the hard business of reforms will work, those who want to step aside—let God judge them", the prime minister said.

Backtracking from reforms, no matter under which banner, would mean a u-turn from the very possibility of reviving Russia. "Reforms remain the main course", Chernomyrdin said, adding that "we have jumped into cold water and we should stop jerking and looking around, we have to swim and swim along the set course towards the necessary bank. I am sure that we shall reach it".

Chernomyrdin Extends Price Regulations on Certain Foods

LD0501170993 Moscow ITAR-TASS World Service in Russian 1135 GMT 5 Jan 93

[Report by ITAR-TASS correspondents Sergey Polyapolskiy and Pavel Ryabov]

[Text] Moscow, 5 Jan—From the beginning of the New Year, the Russian Government has extended the action of the mechanism of state regulation of prices to certain types of goods and output of enterprises not coming under the category of monopolists. This measure is aimed at "restraining the inflationary processes and the unjustified increase in prices of major types of output, commodities, and services," a resolution signed by Prime Minister Viktor Chernomyrdin says.

Prices being regulated apply to bread, and roll and pasta products, tea, salt and sugar, milk, butter, meat, boiled and semi-smoked salami grade 1 and 2, children's food products, and ethyl alcohol.

Earlier, in keeping with a resolution of the Russian Federation Government of 11 August 1992, regulation was imposed on goods on this list produced by only those enterprises that were included in the Russian Federation State Register of Monopolist Associations and Enterprises.

The government's new resolution is capable of stabilizing prices in the market, in the view of Yelena Karpel, first deputy chairman of the Russian Federation state committee for pricing policy. Adoption of this document was essential, because "the size of groups of enterprises in certain sectors of industry in the market has become such that, while they do not formally fall into the category of monopolists, they are nevertheless engaged in dictating prices for their output," she stated in an interview with ITAR-TASS correspondents.

Also, according to the representative of the state committee, the introduction of the new mechanism will make it possible to bring greater certainty to the question of the financial situation of these enterprises: "It will become clear at whose expense they are managing to 'keep afloat'—by inflating prices or thanks to good production organization."

Simultaneously with broadening the price regulation mechanism's field of operation, the government resolution of 31 December 1992 reduces from 20 percent to 15 percent the maximum profitability level applicable to bread, flour, bakery, and pasta products. Prices for gourmet food products produced by "monopolists"—sturgeon and salmon caviars, certain types of meat and meat products, spirits and liqueurs apart from vodka—remain free of regulation. Among nonfood goods in this category are carpets, natural fur items, natural leather clothing, jewellery, household electronic equipment, and cars.

Nechayev Discusses Economic Reforms, Cabinet Composition

OW0501194793 Moscow INTERFAX in English 1810 GMT 5 Jan 93

[Report on "exclusive interview" with Economics Minister Andrey Nechayev by Boris Zverev; place and date not given; from the "Presidential Bulletin" feature prepared by Andrey Pershin, Andrey Petrovskiy, and Vladimir Shishlin and edited by Boris Grishchenko—following item transmitted via KYODO]

[Text] Russia's Economics Minister Andrey Nechayev has said that neither in public statements nor during daily discussions has Viktor Chernomyrdin expressed opinions that would differ cardinally from the program drafted by the Gaydar government back in November. Nechayev told INTERFAX analyst Boris Zverev in an exclusive interview, that in his opinion Chernomyrdin does not sound like a person who is saying things he does not mean. "He is a pragmatist rather than a politician," he said. Nechayev said, however, that undoubtedly Chernomyrdin had his own idea of tackling a number of problems.

Nechayev is not inclined to attach special importance to Chernomyrdin's phrase, spoken during the 7th Congress of People's Deputies: "What we need to do now is to build up a market, not a bazaar". In economic terms this means that market relations, above all, the transition to such relations, should be regulated, said Nechayev. He noted, however, that first, one should give an answer to the cardinal question: How should the market be regulated—by administrative or economic methods? For me this is a problem of enormous political significance, said Nechayev.

He said that during its latest meetings, the Cabinet specified the plan for anti-crisis measures and drafted corresponding documents. It also discussed smaller but vitally important problems, among them that of forming

up Russia's food reserve for 1993 and of the construction of nuclear power plants in Russia.

Nechayev believes that Yeltsin's policy of shaping the cabinet was quite rigid. "As he promised, changes in the government were minimal and the bulk of the Gaydar team has survived".

Speaking about the referendum, scheduled for April, Nechayev said that an ambiguous wording might pose the worst threat to the democrats. Therefore, the organizers must avoid ambiguity which will complicate decision-making. The referendum alone can bring victory to the democrats or restore the hard-liners' positions, he said.

The key role in formulating the questions to be answered during the referendum will be played by the parliament, he went on to say. In view of this, he expressed the opinion that the parliament will try to find an ambiguous wording in order to dim the essence of the choice. As an example, Nechayev referred to the question of private land ownership and of buying and selling land. This question should be answered by "Yes" or "No". However, if put in an ambiguous way, the respondents will fail to understand what it is about.

Nechayev also said that the length of the industrial stabilization period should not be specified. What we can do is to predict in which industrial branches production rates will grow faster. This refers above all to the defence industries manufacturing consumer goods. The growth of the production of consumer goods is particularly noticeable against the general decline in the defence industry, said Nechayev.

Views Current Political Problems

LD0501235693 Moscow Russian Television Network in Russian 1620 GMT 5 Jan 93

[Studio interview with Economics Minister Andrey Nechayev by unidentified announcer; date not given—live or recorded]

[Text] [Announcer] The year that has ended has left many problems and questions. We have asked Russian Economics Minister Andrey Nechayev to answer some of them.

Andrey Alekseyevich, before we met you, we talked with some people, passers-by in the street, representatives of our business circles, who are very interested in what is now going on and what is happening in the government, and in their own place in this life. We would like you to hear some of them and answer their questions.

[Nechayev] With pleasure. [Video shows people being interviewed in the street; a woman says: "When will the prices stabilize a little? That is the most painful question." A young man says: "I would like to ask you when will I be able to be confident in the future and when will I know for certain what I can do with my money and my property?" An old man asks: "Will there be light at the end of the tunnel?"]

[Nechayev] You know, I would like to start by answering the second question asked by the young man wondering what he should do and when he will be able to feel confience in the future. This in fact depends primarily upon him. He does not strike me as a sick or handicapped person. So I think that the reason why the present situation is fundamentally new is because the government has consciously opted—and this is the government's creed—to provide opportunities for those who want them and who can work and who see the ways. That is the answer to almost all questions. The way we will live primarily depends on the extent to which we will get things going.

As for price stabilization, for instance, or a price forecast, that is a difficult question. Of course, this will depend on the policy we will be conducting, including in the coming months. I think if we are able to refrain from extreme social populism, although I do not like this word very much, that is, if we manage to restrain ourselves from just giving money away, I think we will be able to stabilize inflation in the next few months and to stabilize price rises. I do not think we will be able to halt price rises. But I am deeply convinced that they will not rise as fast as now. I say it again, things will get better if the pressure on the government for more money and more help lessens. Give us money and credit, etc.

[Announcer] What is the government's position on the privatization program? For us, the people, who are engaged in organizing the stock markets, this is the key question.

[Nechayev] Speaking about the main special features of 1992, privatization is perhaps one of these peculiarities. The fact is, after many years of talking about it, rather active, massive privatization has begun. I can boldly say that we will be actively continuing the policy of privatization. In this respect what is very important is to enable people engaged in the stock market to work actively. Securities are now appearing in this country. The first security issued on a massive scale is the privatization check, or, as they call it, the voucher. Following the auctioning of enterprises, there will be a wholesale issue of enterprise shares. In this respect it is very important for shares and vouchers to be realized. Here the role of investment funds, the stock markets and generally the security market will determine how and in what they will be invested, and their success will depend primarily on the work of the stock market.

[Announcer] What do you think can be done—or perhaps there are plans to do something—to draw major foreign investments in industry and agriculture in 1993?

[Nechayev] To answer this question briefly, two things must be singled out: first, the creation of some primary framework conditions acceptable for foreign investors. What is involved here is legislation, the rights and

conditions on which they can invest their capital must be made clear. What is especially important is that the stability of these conditions must be guaranteed. But the main thing is that there must be financial, economic, and political stability.

[Announcer] What would you like to wish our viewers in 1993?

[Nechayev] I would like to wish them optimism, a little luck, perhaps a little more luck than they had last year. The main thing is that they must have greater faith in themselves and their own strength.

[Announcer] Thank you.

Shakhray Says Reforms Can No Longer Be Curtailed

LD0501204793 Moscow ITAR-TASS in English 1956 GMT 5 Jan 93

[By BUSINESS-TASS]

[Text] Moscow January 5 TASS—Despite fierce resistance to the process of reforms, it keeps going, Sergey Shakhray said in an interview with the ITAR-TASS television service. "Certainly, regular price increases cannot draw enthusiasm from the people. But sensible people understand that the meaning of reforms is not in this. Transformations have already crossed the line when a reversal is possible and all understand this," the Russian deputy prime minister noted.

Summing up the results of the year, Shakhray named the credit-budgetary issue as the most difficult one among economic matters. "The policy of issuing unlimited credits constantly requires new funds. These funds cannot be taken from anywhere except voters' pockets. If the government does not give thought to it now, the spring of this year will be very severe and primarily, as it usually happens, for the low-income sections of the population," Shakhray believes.

Report Outlines Decline in Productivity

OW0501085793 Moscow INTERFAX in English 0702 GMT 5 Jan 93

[From "Cover Story" section of the "Business Report"; item transmitted via KYODO]

[Text] The decline in Russia's productivity in 1992 was much worse than the government had predicted, while prices rose many times more than expected, specialists from the Macroecon-Link association report. The association is an independent research center uniting the leading specialists from the Economics Ministry and the Russian Statistics Committee (Goskomstat).

Association experts made preliminary estimates of the results of Russia's economic development in 1992 which confirm their prognoses made in early January 1992 on the results of the first stage of radical reforms in Russia.

RUSSIA'S 1992 GNP AS % OF 1991 GNP

	Macroecon-Link prognosis in January 1992	estimate as of 23.12.92
GNP	79	79.8
including:		
industry	77.8	80
construction	57.6	63
agriculture	90.5	91.5
trade, procurement, equipment provisions	78-86	78-82

The Russian government had expected national revenues to decline by only 12-13% in 1992, and also predicted that the decline in productivity would slow significantly by the end of the year.

DECLINE IN PRODUCTIVITY CROSSED THE 20% MARK DURING THE SECOND HALF OF THE YEAR.

Industrial productivity reached a crisis turning point in May after a period of relative stability (February - April), when production of the most important products fell sharply and in July and August there was a new wave of decline, even greater than the decline in January.

Goskomstat calculated the overall drop in industrial productivity in 1991 at 8%, while for January 1992 productivity fell by 15% and for the first half of 1992 by 13.5%. In July productivity had fallen by 21.5%, and in August by 27.2%, in September by 24.8%, October by 24.6% and in November by 24%. At mid-year, the decline in industrial productivity had crossed the 20% mark.

PRODUCTION OF SPECIFIC INDUSTRIAL GOODS IN RUSSIA

	unit of measurement	1991	1992	1992 as % of 1991	1992 as % of 1990
Electricity	Bn KW/hrs	1068	1014	-5.0	-6.3
Oil (including gas condensate)	Mn ton	462	394	-15	-24
Natural gas	Bn cu meters	643	639	-0.6	-0.3
Coal	Mn ton	353	338	-4.2	-14
Automotive Gasoline	-"-	38.8	35.3	-9.0	-14

	unit of measurement	1991	1992	1992 as % of 1991	1992 as % of 1990
Diesel fuel	-"-	72.2	65.7	-9.0	-14
Pig iron	-"-	48.9	45.3	-7.4	-24
Steel	-"-	77.1	66.3	-14	-26
Rolled steel	-"-	55.1	46.1	-16	-28
Mineral Fertilizers	Mn ton	15.0	11.3	-25	-29
Chemical fibers and thread	thou.ton	529	454	-14	-33
Synthetic resin and plastics	-"-	2963	2568	-13	-21
Metal cutting tools	thou. unit	67.5	51.2	-24	-31
Cars	-"-	1675	1583	-5.5	-12
Tractors	-"-	178	130	-27	-39
Timber	Mn cubic meters	65.8	52.1	-21	-31
Cement	Mn ton	77.5	64.4	-17	-22
Building bricks	Bn units	23.7	20.4	-14	-17
Fabric - total	Mn sq.meter	7619	5344	-30	-37
Shoes	Mn pair	336	225	-33	-42
Televisions	thou.units	4439	3460	-22	-27
Refrigerators and freezers	-"-	3710	3114	-16	-18

Production fell the most in branches which are directly dependent on imports of raw materials and component parts (non-ferrous metallurgy, electronics, light industry, chemicals and petrochemicals), and in the food industry due to the absence of effective demand and strict limits on using raw materials.

(For more information on this subject, please see IBR [INTERAX Business Report] #3 January 6 1993).

Decline of Oil Industry Viewed

PM0601095593 Moscow ROSSIYSKAYA GAZETA in Russian 5 Jan 93 First Edition p 1

[Article by Sergey Nikitin: "Extended Jump Into a Golden Cage"]

[Text] A year ago only the lazy failed to predict the decline in oil extraction in Russia. Officials from the Ministry of the Economy predicted a decline to 480 million tonnes, the American boys from Langley predicted a decline to 460 million, and "independent" experts to 410 million. Reality has surpassed the most inveterate pessimists.

We were told on the eve of the holiday by Ye. Morozov, deputy minister of fuel and energy, that by late December the oil workers had managed to extract 395 million tonnes. Russia still has plenty to cover its domestic requirements, he assured us, but the victims of financial and economic sovereignization—the enterprises of the CIS countries that have left the ruble zone—will be in difficulties. As of January export quotas for each oil extracting enterprise have been amalgamated. Economic subjects from the republics of nearby foreign parts will have to pay in convertible currency, like all other foreigners.

Perhaps some people may derive moral consolation from the sight of the Ukrainians, Moldovans, or Georgians tightening their belts to the last hole. But even when we have put our former fellow citizens on the strictest diet we will hardly be able to halt the degradation of our own oil economy. The experts from the Ministry of the Economy are not particularly cautious—and even they are planning a further reduction of oil extraction in 1993 to 350 million tonnes. That means that the real figure may be even lower.

The reasons for the crisis are very well known and long became a commonplace. Above all there is the chronic poverty of the petroleum refineries which cannot finance drilling work and oil field construction.

To preserve at least the present extraction level we should have drilled about 62 million meters of operational boreholes in 1992. We managed to drill only one-quarter of this figure. The lack of material and technical resources in the sector is over 30 percent because of which no use is being made of 25,000 boreholes, half of which have been standing idle for longer than normal. Only 14 percent of machinery and equipment meets world standards and over half of technical facilities are 60 percent worn out.

The majority of specialists believe that this unseemly picture became possible as a result of the USSR's collapse and the liberalization of prices conducted in chaotic fashion by Gaydar's cabinet. In the course of a year

the government adopted a mass of documents relating to the development of the oil industry. But the main aim—changing the disproportion in the levels of prices for fuel and energy resources and finished output—was not achieved. Worse still, the steady opinion was formed in society that prices for oil were the main culprit in all price distortions and that oil workers were the main instigators of inflation.

On the other hand, the "oil generals" themselves, dissatisfied with the center for its draconian tax policy and intransigence on the question of the transfer of all economic power to the localities, were a destabilizing factor. In 1992 in the majority of oil extracting regions the fusion of the oil extraction associations' leadership with the president's minions and the representatives of soviet power was virtually complete. In the situation of political instability and endless intrasectorial reorganizations these groupings are successfully mastering the art of manipulating labor collectives and are engaged mainly in dividing up quotas, dollars, and goods assigned under barter. The decline in extraction is of little concern to the oil elite: It understands very well that there is enough "black gold" for its lifetime.

The Ministry of Fuel and Energy does not conceal its hopes in connection with the advent of "our Viktor Stepanovich." There is no doubt that Chernomyrdin is the only one of all nominations for the post of premier examined a the recent Congress to have, if he so wishes, any chance of "taking in hand" the generals and increasing production discipline in the complex. Altering the structure of price formations and above all in the base sectors is a more complex task. As Deputy Minister Ye. Morozov admitted, the man who resolves it should "be put in a golden cage and fed nothing but chocolate."

To judge by the statements made prior to the New Year by the new Council of Ministers chairman, this prospect may very well push him toward a bold solution. The only thing that is not clear is how he intends to make prices in oil extraction fulfill several contradictory functions simultaneously.

On the one hand, they will have to cover the expenses of the extracting enterprises, encouraging the producer to increase extraction volumes. On the other they must "signal" to consumers society's real expenditure on energy, nonetheless being in keeping with the population's average wages. And finally to the extent that they ensure that enterprises' revenue is substantially in excess of production expenses, prices for oil must remain an important source for swelling the state budget.

In fact Chernomyrdin's cabinet is faced today with the same dilemma as Gaydar's team a year ago: either finally embarking on a substantial increase in the price of all types of fuel compared to other prices in the economy or continuing the tactic of inert subsidies for the sector. A difficult choice. But it looks as though for all that it is politically preferable the second choice will not stop the collapse of the fuel complex.

Yeltsin Orders Flotation of Coal Industry Capital

LD0501183993 Moscow ITAR-TASS in English 1521 GMT 5 Jan 93

[By ITAR-TASS correspondent]

[Text] Moscow January 5 TASS—Russian President Boris Yeltsin signed a decree ordering to turn enterprises of the coal industry into joint-stock companies by March 31, 1993 and to create the "Rosugol" state organisation which will be entrusted with the task, the presidential press service said on Tuesday.

The decree signed on December 30 contains the rules for floating the capital and the list of enterprises to become joint-stock companies.

The state will keep a certain number of shares of the coal enterprises, according to the press service.

Coal enterprises situated in republics within Russia can become joint-stock companies according to special agreements between the federal and local authorities, the decree says.

Official Discusses Liberalization of Tax System

OW0501210993 Moscow INTERFAX in English 1939 GMT 5 Jan 93

[Following item transmitted via KYODO]

[Text] Sergey Shatalov, the Secretary of the Russian Supreme Soviet's Sub-Commission for Tax Policy, announced in an interview with INTERFAX that Russia has taken the next step in liberalizing the country's tax system.

According to Mr. Shatalov, if in 1992 taxpayers handed over 67-68% of their total profits to the government, then in 1993 this amount will drop to 55%. This decrease can be directly traced to a drop in the rate of the Value-Added Tax (VAT) as well as to the addition of a number of tax breaks to businesses.

In part, Mr. Shatalov said, the government is now allowing businesses to deduct up to 50% of profits, if this money is being re-invested for purposes of production and non-production [as received]. In his opinion, this will amount to a loss of about 500 bn [billion] rubles for the government.

In addition, Mr. Shatalov stated that a VAT levied on all imported products as of February 1 will add 130-150 bn rubles to the federal budget. At the same time he emphasized that the tax will not affect raw materials, components, and feed which will be used to produce items for internal use and consumption.

Also, Mr. Shatalov announced that he intends to improve the collection system for taxes which "have always existed". According to him, in 1992 they were able to collect only 50% of owed taxes, whereas this year they hope to reach the level of 80%.

The Secretary stated that a proposal has already been prepared in the Supreme Soviet which would require that cashiers be used in street trade. This proposal is expected to be passed in late January or early February.

Russian Bank for Reconstruction, Development Set Up

LD0501171193 Moscow ITAR-TASS in English 1415 GMT 5 Jan 93

[By ITAR-TASS correspondent]

[Text] Moscow January 5 TASS—Russian President Boris Yeltsin has signed an order on New Year's eve to set up a Russian Bank for Reconstruction and Development. The bank's purpose is to finance priority sectors of the Russian economy, to stimulate investments, enhance the effectiveness of the use of foreign investment credits and to promote the formation of Russia's market infrastructure.

The bank's Organisational Committee is to be set up in accordance with the same order. V.V. Dmitriyev was appointed chairman of the Organisational Committee, the press service of the Russian president reported today.

The Russian Agency for International Cooperation and Development, jointly with the Finance Ministry, the Central Bank, the Ministry for Economics, the Ministry for External Economic Relations and the bank's Organisational Committee have been authorised to hold talks with international organisations and foreign banks on their participation in the formation of the bank's authorised capital and in the work of the Russian Bank for Reconstruction and Development.

Agriculture Minister on Sector's Problems

LD0601060893 Moscow Programma Radio Odin Network in Russian 0830 GMT 5 Jan 93

[Interview with Agriculture Minister Viktor Khylystun by Nikita Rysakov; place and date not given]

[Text] [Unidentified announcer] As usual, we would like to link the beginning of the New Year with new hopes that life will become better and calmer and all difficulties will be left behind us, in the past year. Life is such that people cannot live without hope. Of course, in this year we would like to worry less about tomorrow; we would like inflation to be down; more goods to be in shops; and shorter lines for the most necessary things and food. In this connection, a lot depends on agriculture, on the work of farmers. In order to find out what hopes they started this year with, my colleague Nikita Rysakov has met Russian Agriculture Minister Viktor Nikolayevich Khylystun. He also had another reason for this meeting, but he will speak about it himself.

[Rysakov] Yes, indeed, I had another reason as well. Frankly speaking, I arranged a meeting with the minister beforehand. And literally the day before it, I was looking through newspapers and ran across an article in IZVESTIYA published around 29-30 December. It reported on the present situation in the countryside. And quoting Viktor Nikolayevich, it said that the minister is quite optimistic about the possibilities of making progress in the upcoming year. Frankly, it was quite a surprise to me. You must admit that the food situation is far from being great. We have less meat, milk, and butter. Where does this optimism come from? I started our conversation with just this question.

[Begin recording] [Rysakov] Viktor Nikolayevich, the year 1992 has finished. The year 1993 has begun. The last year was a difficult one for the whole country as well as for workers in the countryside. The production slump was rather significant: approximately 20-25 percent with even more in livestock production. But, nevertheless, in the last issue of IZVESTIYA you expressed the hope that, in spite of everything, agriculture has stood the test this year and can start improving. Why do you have this impression?

[Khylystun] First of all, I would like to say that the article in IZVESTIYA did not quite correctly quote my estimates of the results of this year. These estimates are not so optimistic. In reality, the results of 1992 are more serious for the agro-industrial complex.

The results for crop production have not been so bad. We don't have a final firm figure as yet, but according to our provisional data we have harvested 114 million tonnes of grain—when weighed for storage I mean—and we harvested more sunflowers and sugar beets. As a whole then, the situation in crop production is more or less normal.

In livestock production, the situation is quite simply difficult. It is been linked to several factors, two of which are the main factors. The first was that the year was extremely unfavorable for feed procurement and that is why we got far less coarse and succulent feed, although we put up more concentrated feed than last year. And the second very difficult condition is the as yet unremedied imbalance between prices for materials, raw materials, and equipment for livestock production and prices for livestock produce.

All these factors, of course, have had an impact on meat and milk production. According to some estimates, we are now receiving around 60 percent of what we received last year and the year before last. I cannot accept such an estimate. We believe that the overall reduction in livestock production output is within the limits of no more that 25 percent. Why? The output of livestock production in the private sector has risen sharply, including the output of individual farms, albeit not by much as yet. Livestock numbers at personal subsidiary plots have risen significantly. That is why our estimates are that we have reduced livestock production output by approximately one fourth.

But your first question was why we are sure that the situation is now stabilizing.

[Rysakov] Yes.

[Khylystun] The fact is that now, after a significant decline in the number of livestock in 1991-1992, a certain disparity between the amount of available feed and the number of livestock has nevertheless become established. During December, on almost all territories with the exception of literally only a few, the reduction in the number of livestock has been stopped. Such an indicator gives grounds for some hope. Not that it has completely stopped, but in any case a period of stabilization has now begun. The fact that according to the results of December some regions have already increased gross milk yield by comparison with 1991 is also encouraging.

But under no circumstances should one rest content with what has been achieved. The situation in such regions as Moscow Oblast, Leningrad Oblast, Karelia, Novgorod Oblast, and Pskov Oblast is critical. We are now making extra efforts to deliver feed there. Here we need constant, efficient work in our ministry and, above all of course, by the heads of administration in the localities. We should not have a situation where in these difficult conditions a head of a farm loses heart and bemoans his fate. Here we need a maximum of enterprise and committment.

[Rysakov] Here a question arises. Last year heads of farms were in some kind of confusion. There was a great deal of vacillation on which way our agriculture would go. In the localities, very often people did not know whether collective or state farms would still exist. I think this left a serious mark on the work of many collective farms.

[Khylystun] In my opinion, such a feeling of uncertainty is predominantly typical of people who have not made up their own minds. I would like to underline once again—I am always talking about it—that we gave the main right to collectives and to individuals. The right, that is, to choose for themselves a form of ownership and a form of farming. You know, this kind of amorphous attitude appears because the process of hesitation is dragged out for too long, because a group of heads of farms did not try to learn which out of six or seven ways is best for them, is most suitable for them, in their actual conditions. And they wait for somebody from somewhere to give them recommendations of some kind. We have told them: Make a decision. Try to determine your own unique form even if it goes beyond these six or seven ways, but try to determine your position. This amorphous state, this waiting for somebody from on high to come and decide how they will live, should not go on any longer.

[Rysakov] But now what do you think? Do the heads of farms understand it and will they decide this year which way to go?

[Khylystun] Yes, I think most certainly they will. Life itself will force them to make up their minds. In any case, every farm will finally decide what to do, which way to go before the spring sowing.

[Rysakov] Would you please tell us your opinion on what kind of alignment we will have and how the future fate of collective and state farms will be decided, as well as their relationship with private and individual farms?

[Khylystun] I think that there should be a rational alignment of large-, medium-, and small-scale agricultural enterprises. I think that during the next five to seven years the number of farms will increase to approximately half a million. But my opinion is that big enterprises will nevertheless provide the bulk of production, at least in this century. But they will all be joint stock or cooperative enterprises with the possible exception of a certain number that we believe should remain state property. At this stage, these are pedigree livestock and seed growing farms; that is to say, those that determine the state's technological policy. Gradually this number can also be reduced, but a certain number of state farms will remain. But I am sure that the joint stock company—and it must be a real joint stock society and not just for show—and the agricultural cooperative are the two types that in my opinion are most acceptable and most advantageous—most economically advantageous—for the individual farmer.

[Rysakov] You said that the emphasis was misplaced in IZVESTIYA, but at the same time you expressed confidence that between the government and the farmers, between the government and the agricultural sector, some kind of mutual understanding has now been achieved. What did you mean?

[Khylystun] I meant that there was an excessive optimism in this article that did not come from me. I think that in the future there will be a long dialogue between the government and representatives of the farmers, the producers of agricultural goods. In principle we have agreed that in 1993 we will conclude an agreement as well, but that this will be an agreement at the same time between the government and the Agrarian Union and the Association of Russian Farmers [Assotsiatsiy a krestyanskikh khozyaystv]. In this agreement, from the governmental side, we will try to specify all conditions and all measures of governmental aid. But we would like to receive from the other side—from the farmers—certain guarantees that the means we allocate to the agricultural complex will be used rationally, that there will be no deterioration of land utilization or neglect and degradation of land, and that the farmers will play a very committed part in forming federal and regional food stocks.

[Rysakov] One more thing. Don't you think that it would not be bad to start some sort of a contract campaign even before the beginning of the planting season so that the farmers will know what they will receive and at what prices?

[Khylystun] Not only do I think so, but we are already taking steps in this direction. We have already drawn up a draft resolution. It has been discussed by the government, is now undergoing further work, and will be submitted for approval early in January. It envisages the beginning of contract operations on the basis of pledges, the acquisition of future output by means of advance

payments of a specified amount—say 50 percent of the future value—and initial starting prices to be established in the contracts and indexed at a later date. These starting prices will, I think, be set at the level of those operating at the moment.

[Rysakov] At the level of market prices?

[Khylystun] Of course. Under no circumstances should prices be set administratively, and all the more so since it is impossible for farmers to buy everything they need to do the farming and then sell their produce at fixed prices. It is possible to have fixed, guaranteed prices, but when it comes to a price ceiling, this should be dictated by demand above all and by the state of the market. This, I think, is the road we will be taking.

[Rysakov] And, to end our conversation, what would you wish our farmers this year?

[Khylystun] First of all, I'd like to offer them my heartfelt gratitude and show my respect for their extremely hard work during 1992. It really was a difficult year, and I am sincerely grateful to the farmers for sticking it out. I'd like to express the hope that 1993, the start of 1993, will be a period of stabilization and that confidence will set in that society has a commitment to the farmers and is genuinely prepared to support them. I'd like to express not only hope but confidence in this and to wish all those who work in the countryside good health in the New Year, happiness, peace, prosperity, and hope. [end recording]

Military & Nuclear Issues

Official Observes Testing of New Control, Command Equipment

Arms Expenditures To Change

LD0501164593 Moscow ITAR-TASS World Service in Russian 1445 GMT 5 Jan 93

[By ITAR-TASS correspondent Roman Zadunayskiy]

[Text] Alabino (Moscow Oblast), 5 Jan—The START II treaty will affect Russia's military-technical policy, First Deputy Defense Minister Andrey Kokoshin stated. In particular, he noted, a certain redistribution of expenditures from strategic weapons to general purpose forces is to be expected in the more distant future. Andrey Kokoshin paid a visit today to the location of the Taman Motorized Rifle Guards Division. Here, at the Alabino all-forces testing ground, a research exercise was being carried out in company-battalion liaison to determine the reliability of means of communications in conditions of combat training.

When Andrey Kokoshin met directors of enterprises of the military industrial complex, the military men pointed out that Moscow Military District is only 10 percent equipped with the latest means of communications.

The deputy minister of defense announced that this year the 1992 level of allocations for the purchase of weapons for the Russian Army will be maintained, and even with a 10 percent increase. In the future we hope for a certain modest growth of allocations for armaments, Andrey Kokoshin noted. However, he stressed, the main path is optimizing and unifying armaments systems. Thus, for certain classes the range of types of weapons being purchased is being reduced by a factor of two to three.

Military Communications 'Vulnerable'

OW0501192193 Moscow INTERFAX in English 1748 GMT 5 Jan 93

[Following item transmitted via KYODO]

[Text] On Tuesday the Taman division (the Moscow province) conducted a training flight during which new control and command equipment was tested.

During his conversation with journalists Andrey Kokoshin, the first deputy Defense Minister, pointed out that the decisive factor of a success in a modern war is the superiority in the ether. That is why the priority task of the Russian Defense Ministry is the development of the control and command devices, in particular, the communications means "which have been the most vulnerable link of the Russian armed forces for a long time."

A complex communication system "Arbalet" was demonstrated to the journalists. It is capable to ensure a reliable and encoded transmission of information under the radioelectronic countermeasures of the adversary.

Discusses Communications Equipment

LD0501225293 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 1800 GMT 5 Jan 93

[Report by correspondent Aleksandr Ukhov, including recorded remarks by First Deputy Defense Minister A.A. Kokoshin; from the "Novosti" newscast]

[Text] Today the first military exercises of the new year were held in the Army's tactical arm, one of the most important constituents of the rapid reaction forces. [video shows moving tank in winter camouflage; command point; battle scenes in snowy locale; troops looking at portable radio stations]

One of the rapid reaction forces' chief tasks, and one that is, unfortunately, not easy to accomplish, is to effect a system of control. The role of communications is growing particularly now, with the increase and improvement of the means of radio-electronic struggle in the airwaves. Commands must be transmitted within seconds. Here, however, the Russian Army cannot as yet fully match up to the best world standards. Only the latest developments, such as the Istorik radio station, for example, guarantee high-quality, completely secure communications. But it, too, has its disadvantages. It is heavy. Together with its housing, the secure

communications equipment weighs over 15 kg. The batteries have to be changed every six hours, and they take 13 hours to recharge. A further disaster is non-standardization.

[Kokoshin, standing among officers, talking into microphone] In the military-technical policy that we have now drawn up in the Defense Ministry, communications have been altogether raised to one of the highest priorities compared with the military-technical policy of the past. We are devoting particular attention to communications in the tactical arm, where the success of a battle is determined, and ultimately the success of an operation, too.

[Ukhov] The newest communications equipment naturally requires increased spending. This, however, is one of the ways toward unification, and again as regards value, especially considering the many flashpoints in which Russian servicemen are now obliged to serve. [sentence as heard]

[Kokoshin] For us the main criterion is the value of ensuring the protection, as it were, of the fighting man. The value of life, of the fighting man on the battlefield, is the main thing.

Budget Official on Problems of Implementing START II

LD0501192393 Moscow Russian Television Network in Russian 1605 GMT 5 Jan 93

[Studio interview with Aleksandr Petrovich Pochinok, chairman of Russian Supreme Soviet Committee for Budget, Plans, Taxes, and Prices, by Russian People's Deputy Rasul Mikailov; from the "Parliamentary Herald" program—live or recorded]

[Excerpt] [Mikailov] Once again "Parliamentary Herald" deals with a topic connected with the budget, with finance. We ended the year with that topic, and now we are obliged to start with it. The point is that, throughout the last days of the previous year, 1992, the Supreme Soviet was engaged in considering the president's budget message. But since the question turned out to be very intricate, and many contradictory views were expressed about it, it was decided to continue work on it in January. [turning to Pochinok] And now, Aleksandr Petrovich, if possible, just a few words about what caused the most, as it were, what were the parliamentarians' main complaints?

[Pochinok] With pleasure. You know, there are rumors to the effect that the Supreme Soviet is on vacation. But today, in fact, I have just come from a hearing on the military part of the budget and I noticed that, instead of holidays, we have ended up with a very packed timetable. Just imagine: Up to 29 January there is no day on which the Supreme Soviet is not having one or two special hearings on the budget. The point is that, if we want to obtain a normal budget, we must make all its sections precise.

I have already mentioned defense. At the moment detailed checking of the defense budget is taking place. For the first time, we will allocate it to special sections in the law. For the first time, we will go into great detail under headings, hunt out all reserves, and calculate the expenditure for each agreement—on arms reduction, for example; calculate the expenditure on the social support of servicemen—that is a growing heading—and on the relocation of forces. It will all be very detailed. It is not fortuitous that parliamentarians will be working on the defense budget virtually every day from 5 to about 18 or 19 January.

[Mikailov] Incidentally, on the defense budget, you took part in preparing the START II treaty. How will the signing of the treaty affect the Russian Federation's budget? Is not the destruction of weapons an expensive procedure?

[Pochinok] You know, it will have no effect whatsoever on the 1993 budget because we will simply not have the time to make any changes. It is a very lengthy process, the process of arms reduction. It has to be started, no question about it. And it has to be carried out very intensively, no question about that either. But it has to be done in such a way that there is no damage to other sections of the Russian economy.

With all respect to the U.S. side, this is the sort of question that arises: What expenses will they be financing? The expenses of their own firms, their own arms reduction research. But it is far harder to finance the work of our firms, which are gasping for breath because of the shortage of money, for example, or seeking the possibility of conversion money. It should not be thought that the ratification of the START II treaty will be just some single act—a half-hour discussion in the Supreme Soviet and a vote. No, it is a vast auditing operation.

What does it consist of? There is the distribution among cities and talks with the U.S. side. Have you noticed that the U.S. President promised very substantial financing? We have to see what will emerge specifically and how; how it can be arranged that this money goes to our researchers, because they are certainly no worse than the American ones, so that we can finance our own factories for the reprocessing of nuclear weapons.

These are problems of immense complexity. I foresee that months and months of arduous work lie ahead. This will be the case for each treaty. It is not the only one we have. The framework treaty must be implemented, the previous treaties, the conventional weapons reduction treaty. See how it adds up? The melting down of tanks, the dividing up of submarines. They are all complicated and expensive programs. That's why they have to be looked at very carefully. [passage omitted: there will also be hearings on prices, agriculture, taxation and enterprises; the West will have to keep rescheduling Russian debt repayments]

Grachev Discusses Military Reform

PM0501145193 Moscow ROSSIYSKIYE VESTI in Russian 4 Jan 93 p 4

[Feature comprising "Minister's Position" statement by Defense Minister Pavel Grachev and "ROSSIYSKIYE VESTI Military Expert's Opinion" article by Vladimir Petrovskiy]

[Text] **We Are Building a New Army**

It has fallen to Russia's lot to inherit groupings of forces that do not form an integrated military organization. Some 70 percent of the most up-to-date technology and weapons of the former USSR Armed Forces have remained outside Russia.

Over a six-month period we have managed to halt the decreasing level of combat readiness that was setting in and the piecemeal removal of troops into "national compartments," and we have defined the legal status of servicemen on the territory of Russia and other states.

Today it has fallen to the Ministry of Defense to build the Russian Armed Forces while simultaneously resolving several interconnected problems: Completing the creation of the Russian Army and Navy; ensuring the planned withdrawal of our forces from the territories of other states onto Russian territory and quartering and supplying these forces; making significant cutbacks in the Armed Forces; and thoroughly reforming them. At the same time acute social problems are being resolved in the Army and Navy, problems that accumulated prior to the formation of the Russian Armed Forces.

As the first stage of the formation of the Russian Army and Navy envisaged, combat strength has been determined, an objective inventory of existing weapons and military hardware has been carried out, and the formation of new Armed Forces groupings on Russian territory has begun.

Bearing in mind the current situation in the world, the CIS, and Russia, the formulation of new strategic and mobilization plans has begun, and active work is going on to complete the formation of a new military-technical policy as the most important element of the state's industrial policy.

In the course of the planned cutbacks, the strength of the Russian Armed Forces has been reduced by almost 200,000 men. At the same time the strength of the Ministry of Defense central apparatus has been reduced by 27 percent (5,500 people including 130 generals' posts), and 41 directorates and 140 departments have been abolished. The directorates of main sector troop commands, one military district, two armies, eight divisions, and two higher schools have also been disbanded.

During the transformations, provision has been made to reduce as far as possible the number of combined units and units of the reduced force composition, and it is planned to switch from army and divisional organizational force structures to a predominantly corps and brigade structure, which will enable the number of combat ready combined units and units to be increased. [Grachev ends]

Situation of Troops at Local Level Has Not Improved

The present Russian Army bears the "birthmarks" of its era, which ceased to exist in August 1991. This era has passed into history, but the army institutions that were formed during this period—ranging from the hierarchy of subordination to the organizational-personnel structure of troops at the local level—are alive and well. This is an anomaly that many ranking military men privately acknowledge.

While they acknowledge this, however, it does not mean they are resigning themselves to it. The bulk of servicemen today are extremely critical of innovations, the implementation of which has resulted in no improvement in the troops' situation at local level. This is why a number of "reformist" ideas, consisting of a mechanical transfer of the bases for forming the USSR Armed Forces to the reconstructed Russian Army, are fairly unpopular in Army circles.

On these grounds we may assume that today's Russian Armed Forces are the armed forces of a transition period. When this period is over, about 10 years from now, we will be able to talk with full confidence about the establishment of Russian Federation Armed Forces in a new guise. By this time the process of forming Russian statehood will probably be complete and history will start an account of the new era—the era of a reformed Russia in which the Russian Army will occupy a special place.

In order to create this Army, it is not only necessary to give it a new change of clothes and teach it to live according to new military regulations. The main point is to change its content by resolving four basic problems—the establishment of an organizational-personnel forces structure in tune with the times; the switch to hardware and weapons whose production is based on the utilization of state-of-the-art technologies; the introduction of training and combat utilization by troops of new methods of training, combat techniques, and operations methods; and the creation of a new image for the Russian servicemen.

It seems that when the strength of the Russian Federation Armed Forces reaches the 1.5 million mark by 1995 it will be possible to abandon the division of troops among military districts. Instead of these it would be advisable to set up four to six Armed Forces strategic commands with a geographical designation (for example West, Central, North Caucasus, Volga-Urals, Siberian, and Far East strategic commands).

However, the military districts that exist at the present time could be transformed into mobilization districts, retaining responsibility for mobilization resources and mobilizing them if necessary for the Russian Federation Armed Forces. To this end the existing system of local military management—military commissariats—would be used on a district's territory and would function in the interests of both the regional strategic command and the Russian Ministry of Defense as a whole.

As regards the switch to weapons and hardware, the production of which is based on the utilization of state-of-the-art technologies, it is clear that the relative significance of "smart weapons" in armies should increase. An army cannot be called modern unless it is armed with weapons such as "invisible" flying craft, highly accurate bombs and missiles, homing projectiles, and directed blast weapons. However hard it may be, the Russian economy should ensure that new means of armed struggle are introduced into the Army. The turning point should be no later than 1994-1996, otherwise the Russian Armed Forces will lag hopelessly behind the armies of the world's leading states in this regard.

It is also time to think about the individual equipment of the Russian serviceman. This should not only be modern and comfortable, but also highly effective from the protective point of view on the battlefield. It is very likely that in a few years' time protective equipment (such as helmets and body armor) incorporating Kevlar will become commonplace items in the serviceman's wardrobe.

I would like to believe that in the future troops will be trained not simply using the reserve of experience from the Great Patriotic War. However valuable this experience may be for us, we should not forget that the present Russian Army is separated from it by almost half a century. Moreover, it is expedient to study the combat techniques and operations of troops in the various theaters of hostilities in local wars during the period of 1970-1990, particularly the war in the Persian Gulf region. Basically, a number of combat weapons used in this war represent state-of-the-art technology and will be utilized by the armed forces of the world's leading states by 2010 at the least. This is why it is important to use this experience in the combat training of the Russian Armed Forces.

Uranium Stolen from Arzamas-16 Plant

LD0501231293 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 2100 GMT 5 Jan 93

[From the "Novosti" newscast]

[Text] In the Russian town of Arzamas-16, where work was connected with the production of nuclear weapons, a criminal case over thefts from one of the enterprises has been brought before the court.

According to a report in MOSKOVSKIYE NOVOSTI, 10 kg of uranium have been confiscated from local inhabitants. True, the authorities have given the assurance that the uranium in question is not enriched and is only dangerous to the health of the thieves themselves.

Radioactive Sources in Khabarovsk To Be Registered

LD0601091093 Moscow ITAR-TASS in English 0834 GMT 6 Jan 93

[By ITAR-TASS correspondent Yuriy Vitrishchak]

[Text] Khabarovsk January 6 TASS—Places where radioactive substances are produced, used or buried will henceforth be subjected to special control in Khabarovsk territory. The registration of such places, as well as of sources of ionising radiation, is now under way there.

Special verifications are being conducted at all enterprises, institutions and military units, irrespective of their subordination or form of ownership, where radioactive substances are being used for this or that purpose.

There was every reason to take such measures in the territory. Selective checks, carried out earlier, have brought to light 52 places with a heightened level of radiation. There was at least one spot of radioactive pollution per two square kilometres of checked territory in industrial towns. More than one thousand unrecorded sources of ionising radiation were rendered harmless at schools, higher educational establishments and research institutions.

Political Issues

Chernomyrdin's Lifestyle, Work Regime, Personality Viewed

MK0401144993 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 4 Jan 93 p 1

[Yuriy Zaynashev report: "Hour of Fortune. A Poem in Verse About Viktor Chernomyrdin"]

[Excerpt] [passage omitted] ...Whereas Reagan directed his "ministers" for three out of every 24 hours and Prime Minister Churchill slept for 12 out of every 24 hours, the new Russian premier habitually toils away from morning until 0100. If his aides are to be believed, when serving as fuel minister this last six months Chernomyrdin did not get distracted from work for a single day, and although he adores his granddaughter Manya (when he thinks about her he always becomes warmer and softer) he sees his offspring in the flesh extremely rarely. He has virtually given up regular sports and his favorite skis but continues not to smoke (he cannot even stand smoke), and he drinks—if only at the opening of the new transcontinental gas pipeline—champagne and brandy. In all other things he is an ordinary Russian man who can often both hand out a real reprimand and bang his desk. Viktor Chernomyrdin thinks that he is already past the peak of his 54-year-long life, which came in his "Gazprom" years. Because of his innate meticulousness, before resolving a critical question Chernomyrdin frequently calls together not only his chiefs but also his "Indians," asking for each person's opinion....

Every morning the premier looks through 10 of the capital's newspapers and has a laugh when he finds the latest caricature in MOSKOVSKIY KOMSOMOLETS. Evil tongues are whispering: "He still has not been drawn properly!" [passage omitted]

New Vice Premier Fedorov Viewed Positively

MK0401094793 Moscow KURANTY in Russian 31 Dec 92 p 4

[Grigoriy Koshkarov article under "Forecast" rubric: "Returnee"]

[Text] Debates on the Russian cabinet's new composition are still not abating. Meanwhile the most surprising thing about the recently approved team is maybe that, on inspecting the trim government ranks, for the first time we encounter so many familiar faces. I personally find this fact extremely encouraging. Yes, we can guess what the coming day has in store for our ill-starred reform. Yes, it is difficult to contend that the situation in our country will start to develop in this and no other way. However, a familiar person is especially good because what is known about him above all and for certain is what actions he is capable of. In this respect the figure of Boris Fedorov, the new macroeconomic vice premier, is highly symptomatic.

I recall that at one time, shattered by the resignation of the finance minister in I. Silayev's government, I reproached Fedorov because he did not choose the most suitable time for these demonstrations—there is, I said, an attack on the already fragile democratic gains; every bayonet, as they say, counts, and he goes and resigns. It should now be acknowledged that the young financier has proved far more perceptive than his critics—he gambled on...his own reputation—and won. Over these two years we have heard plenty of such statements, and have had our fill of watching yesterday's arbiters of fate quit their posts. However, Fedorov's departure from the first Russian government was not lost against the background of the grandiose reshuffles in the camp of our gods. What stuck in the memory was not the bang of the door but the 34-year-old doctor of sciences' summary that, quote, a financier cannot work in a government that is too intent on pleasing everyone.

And now the man who by no means intends to charm anyone has been summoned. This signifies at least the following: a) The president seriously intends to continue the reforms, because the new macroeconomics chief has a categorically serious approach to the subject, and b) the premier, it seems, is not devoid of common sense, and for him this motive is apparently at least as strong (if not more so) than his gratitude to the Congress of People's Deputies for his miraculous appointment. In any case the aforementioned persons' agreement to (or interest in) Fedorov's working in the government was given by them bearing in mind a fact that virtually any chief finds unpleasant, namely that a man who simply cannot obey an ill-advised instruction has ended up under their command. This is a considerable risk—if Fedorov has to leave the government again, we will be able to kiss goodbye to the present leaders of the executive branch. I believe that this option can be given serious consideration. If only because the present vice premier has hardly softened his character since then because he was convinced that he gambled correctly at the time and that he has returned triumphant to the government team. He has every chance of staying longer in this capacity, having ensured that his own reputation is safely protected. Which, as we know, is a person's safest insurance against all kinds of misfortunes and adversities under the arches of various kinds of poorhouse. And especially in the Arcadia our hero inhabits. So, his appearance in the team is in no way a compromise but, rather, a victory for pure common sense. Apart from anything else we now have an indicator that will immediately signal the appearance of a barrier in the path of reform.

So, we will wait for his signals. Let them be good ones....

Court Urges Consensus Between Executive, Legislature

OW3112165892 Moscow INTERFAX in English 1638 GMT 31 Dec 92

[Report by Andrey Pershin, Andrey Petrovskiy, and Vladimir Shishlin; edited by Boris Grishchenko; from the "Presidential Bulletin" feature—following item transmitted via KYODO]

[Text] Any conflict between the legislature and executive must be solved by way of national consensus rather than relying on the reputation of a political leader, no matter how high it is, Chairman of the Constitutional Court Valeriy Zorkin said speaking in an exclusive interview with INTERFAX.

IF [INTERFAX] Note: Zorkin was a key figure behind a conciliatory commission set up during this month's Congress of People's Deputies to help strike a compromise between president Yeltsin and the speaker of the parliament, Khasbulatov.

Zorkin hopes that the commission idea will never resurge since the legislature and executive will be able to reach consensus in a constitutional way. At the same time, he denied that his peacemaking mission at the Congress was in breach of the Court's functions. Zorkin is confident that it is part of Court activities aimed at defending the country's basic legislation, including critical or marginal situations.

Zorkin said the Court would consider the legality of Mr Yeltsin's decree on banning the National Salvation Front as its first case in the coming year. He hopes that the authorities will heed its ruling now matter what it is. "We want it to be fair and just and helpful to the authorities including the government. It must not punish but help the authorities to abide by the law and constitution without repeating the same mistakes", Zorkin said. He called for less disputes between the legislature

and the government though saying the Court was ready to help resolve them constitutionally.

The Chairman said the Court's main priority in future must lie in the protection of the citizen's constitutional rights pointing to this year's hearings into the defence of pensioners' rights as the most significant case in 1992. Such cases, he said, may convince the people that the Constitutional Court is needed. Any body is doomed to withering away or disappearing in one way or another when such conviction is absent, Zorkin said.

Other cases considered by the Court include the legality of president Yeltsin's decree on the merger of security and interior ministries, and Tatarstan's referendum. "There were pleas that had to be considered in keeping with the law", Zorkin said. "The legislature and the government must derive lessons not to allow similar cases to crop up again", said the Chairman of the Constitutional Court.

Decree Adopted on Civil Defense, Emergencies Committee

PM0601103993 Moscow ROSSIYSKAYA GAZETA in Russian 6 Jan 93 First Edition p 2

[Report by Andrey Zhdankin: "One State Committee for Seven Disasters"]

[Text] The Russian Government has adopted a decree on questions of the Russian Federation State Committee for Civil Defense, Emergency Situations, and the Elimination of Natural Disasters.

For the first time all forces engaged in preventing emergencies and eliminating their consequences are joined together. And, most importantly, these forces are invested with adequate powers.

The members of the state committee are representatives of various ministries and departments with a rank no lower than that of deputy minister. This organizational principle will make it possible to minimize narrow departmentalism.

The task of the committee members is the intersectorial coordination of the work of the ministries and departments. They are invested with the right to make (in the sphere of their competence) decisions that are compulsory for any state structures. The USSR All-Union Scientific Research Institute of Civil Defense has been transformed into the all-Russian institute. The State Committee for Civil Defense, Emergency Situations, and the Elimination of Natural Disasters Civil Protection Academy has been formed on the basis of higher central courses for training and improving the qualifications of leading civil defense workers and of civil defense courses.

President's Edict Abolishes State Dachas

PM0601111793 Moscow ROSSIYSKAYA GAZETA in Russian 6 Jan 93 First Edition p 5

[Russian Federation President's Edict No. 1687 "on Abolishing the System of State Dachas in the Russian Federation"]

[Text] With a view to restoring social justice and creating equal conditions for the use of leisure and medical treatment facilities for the entire Russian population, I decree:

1. That the "state" status as applied to dachas and similar establishments under the subordination of federal executive organs be abolished, except for establishments that ensure safekeeping and safety in accordance with existing legislation.

Deem illegal the provision of these establishments on preferential terms to people who hold or have previously held high office and also in connection with retirement on pension.

2. Deem it expedient to abolish the status of establishments defined in point 1 of this edict that are under the control of executive organs of republics within the Russian Federation and of krays, oblasts, autonomous formations, and the cities of Moscow and St. Petersburg.

3. In conjunction with the Russian Federation president's Administration, the Russian Federation State Committee for the Administration of State Property must by 1 February 1993 submit proposals for the procedure for the use of dachas and other similar establishments under federal subordination, proceeding from the principle of the establishments' cost recovery.

4. Work on the implementation of this edict must be completed by the end of 1994.

5. The supreme organs of legislative and legal power must be asked to make the relevant decisions with regard to state dachas and other similar establishments within their jurisidiction and the jurisdiction of the organs under their subordination.

[Signed] Russian Federation President B. Yeltsin, Moscow, Kremlin, 29 December 1992.

Civic Union's Plans Reviewed

MK0501151593 Moscow NEZAVISIMAYA GAZETA in Russian 5 Jan 93 p 2

[Yevgeniy Krasnikov report: "Civic Union Thinks About Russia After Yeltsin. Russian Centrists' New Tactics"]

[Text] Although it is only a few weeks since the Seventh Congress of Russian Deputies one can already voice a preliminary opinion of the frenzied struggle that unfolded late last year over the government, the government's program, and the Russian president himself.

Contrary to many forecasts, it was not the centrist forces who gained victory in this battle. And although it would undoubtedly be wrong to speak of a defeat for Civic Union, the events of December will obviously make this centrist coalition considerably change the tactics and strategy behind its political actions.

Civic Union's main achievement of late could perhaps be said to be the considerable changes to the government program and the renunciation of the tactic of the "great leap forward" to capitalism. However, the guarantees that the amended program (that is, personnel changes within the government) will be carried out look palpably inadequate. None of Civic Union's proposed candidates has gotten into Viktor Chernomyrdin's new cabinet. On the other hand Andrey Kozyrev, "the personal enemy of the Russian centrists," whose resignation "Civic Union has been doggedly trying to secure since last summer," is there.

The dismissal of Gennadiy Burbulis and Valeriy Makharadze could of course be ranked among Civic Union's successes were it not for the reports from the president's entourage that both these prominent statesmen will rise from the ashes in January and continue their political activity in new, equally lofty posts. At any rate Gennadiy Burbulis did not consider it necessary to vacate his Kremlin office even temporarily and is still calmly working there.

Mikhail Poltoranin's resignation, which caused such fierce argument among the democratic public, has already led to a fresh, dazzling start. Poltoranin has taken up the post of head of the Federal Information Center and will be able not only to increase the president's influence over the mass media but also manipulate the information coming from the Russian premier by taking control of the government press center. That may prove extremely opportune if Chernomyrdin dares to display any kind of disagreement with the president's wishes.

Of course, the new premier, as an experienced economic manager, is more acceptable to Civic Union than the monetarist theoretician Yegor Gaydar. However, one should not exaggerate the disagreement between Civic Union and Gaydar, or Chernomyrdin's loyalty to Civic Union. And although Volskiy and Chernomyrdin have known one another since their time on the Central Committee and, according to certain information, the Russian premier owes his original advancement to the leader of Civic Union, these people are scarcely bound by close friendly relations.

Moreover, as the formation of the new Russian Cabinet showed, at present Yeltsin is not overly inclined to take his premier's opinion into account, at any rate on personnel issues. Nevertheless one may assume that in the spring Chernomyrdin will be able to play a more active and independent role in politics. At present he is "bringing in" his own people as deputy ministers. If Chernomyrdin thus succeeds in preparing a "second echelon," "his own team," it is quite possible that he will demand that Yeltsin agree to the most rabid "Gaydarites" being expelled from his cabinet before the next congress.

But the centrists' disappointment with Boris Yeltsin was hardly the main result of Civic Union's talks with representatives of the supreme branch of power. Instead of cunning political schemes to bring new prestigious politicians into government (something that Civic Union urged the president to do), Boris Yeltsin preferred to bank on people who have already frequently had occasion to show the president their personal devotion. Burbulis, Kozyrev, and Poltoranin are the famous instruments of the president's wishes and their political careers will only end when Boris Yeltsin himself resigns. And not before! And because all these people, no matter what the political machinations are, will hold influential posts in the president's team, Civic Union's willful leader Aleksandr Rutskoy, who effectively saved the Russian legislature in December, will always be vice president for agriculture under Yeltsin.

"It is high time we started thinking about Russia after Yeltsin," a Civic Union leader commented recently during a private conversation. It is not surprising that, having failed to win due success through behind-the-scenes talks with the president and the attack at the Congress, Civic Union will now probably count on new elections at which not only deputies and administration heads but also the president himself will be reelected.

So far Civic Union has not yet determined its position on this issue once and for all. But this process will obviously be speeded by the democratic radicals' frenzied attempts to reelect the "Red-Brown" parliament as soon as possible. At the end of January the Civic Union Political Council is to discuss a new program. Unlike the previous document, this time it will not take the form of an alternative to the government's economic program but will be akin to a program from an electoral bloc. It will have a political as well as an economic section. Civic Union has recruited such well-known theoreticians as Grigoriy Yavlinskiy, for instance, who is tackling problems of regional policy, to formulate this document.

In the immediate future the centrist bloc intends to expand its political range of influence and acquire new allies—from both right and left, moreover. The All-Russian "Renewal" Union intends to conclude a bilateral agreement with the Socialist Party of the Working People, while the "Free Russia" People's Party will do so with Oleg Rumyantsev's Social Democratic Center and Dmitriy Rogozin's Union for the Revival of Russia.

Justice Ministry Restores Trial by Jury in Five Areas

LD0501100893 Moscow Mayak Radio Network in Russian 0800 GMT 5 Jan 93

[Text] Trial by jury is to make a return in Russia this year. It has been decided to introduce it as an alternative

form of jurisprudence, initially in five parts of the country: in Ivanovo, Ryazan, Moscow, and Saratov oblasts, and in Stavropol Kray, the Russian Federation's Justice Ministry has told ITAR-TASS. Once any required adjustments have been made, trial by jury will subsequently be introduced in more regions.

Various countries have opted for this kind of phased introduction. In Russia, trial by jury appeared after the abolition of serfdom but was scrapped after the October Revolution. It is a form of trial in which a 12-member jury attends, representing all sectors of society. It has come to be respected as truly democratic and moral. Accused persons, with assistance from their lawyers, will themselves choose what kind of trial to select: the usual kind of trial or by jury.

Supreme Soviet

Khasbulatov Predicts Long Debate on START II

LD0501225793 Moscow Radio Moscow World Service in English 2200 GMT 5 Jan 93

[Excerpt] The speaker of the Russian Parliament, Ruslan Khasbulatov, maintains that the START II Treaty will be ratified by parliament only after a lengthy debate on disputed clauses of the document. He made the statement on Tuesday during his official visit to Israel, but did not specify which clauses he considers controversial. [passage omitted]

Khasbulatov Visits Israel, Meets Knesset Members

LD0401182093 Moscow Russian Television Network in Russian 1700 GMT 4 Jan 93

[From the "Vesti" newscast]

[Text] Israel is the country now being visited by a delegation of Russian parliamentarians headed by Ruslan Khasbulatov. Incidentally, this is the highest-ranking state delegation to visit Israel since diplomatic relations between our countries were reestablished.

The trip began with a visit to the Yad Vashem memorial, which was erected in honor of the millions of Jews who were victims of nazism. The second part of the day was devoted to the Knesset, the Israeli parliament. After a solemn welcoming ceremony, the Russian parliamentarians chatted with their Israeli colleagues and attended a parliamentary session. Weiss, the speaker of the Knesset, stressed the importance of the restoration of the development of diplomatic relations between Russia and Israel and by mutual consent the parliamentarians of the two countries decided to set up a cooperation group between the two parliaments.

Supreme Soviet Panels Begin Working on Defense Budget

OW0501184793 Moscow INTERFAX in English 1747 GMT 5 Jan 93

[Following item transmitted via KYODO]

[Text] On Tuesday the joint session of the Supreme Soviet Defense and Security Committee, commissions on budget, plans, taxes, and prices, and commissions on transport, communications and information were considering the draft of the Russian military budget. Sergey Stepashin, the chairman of the Defense and Security Committee, reported to INTERFAX that the joint session would work during 6 days and after that the draft would be submitted to the parliamentary hearings.

According to Stepashin, the hearings should be closed ones. He underlined that "for the first time in the parliamentary practice the leadership of the Main Operative Mobilization Department and the Central Financial Department of the Russian Defense Ministry have presented and grounded the draft of the military budget article-by-article."

Stepashin pointed out that while discussing and approving the military budget it will be necessary to make the strength of the armed forces coincide with the Decree on Defense; if we manage to ensure the planned call up by the end of 1994, the strength of the Russian army will constitute 1,5 million people."

Stepashin said that the discrepancies between the authorized and real strength of the armed forces can arouse main difficulties during the approval of the budget. According to Stepashin, 800 thousand people are needed to man the armed forces. He underlined that more than 30 thousand conscripts declined from military service during the autumn call up. He noted that there are difficulties in manning the interior forces as well.

Stepashin also focused attention on the fact that the experiment to draw the servicemen on a contract basis has been realized only by 20-30%. He believes that the unpopularity of the military service on a contract basis is caused by the absence of guarantees to grant living conditions to the servicemen and by the lack of the financial support.

The draft of the Supreme Soviet resolution on the approval of the military budget will be developed by the end of January, Stepashin reported.

People's Deputy Outlines Border Law Concept

PM0501153193 Moscow ROSSIYSKAYA GAZETA in Russian 4 Jan 93 First Edition p 2

[Article by Russian People's Deputy Sergey Stepashin, chairman of the Russian Federation Supreme Soviet Defense and Security Committee, under the rubric "On the Agenda of the Sixth Session": "The Law and the Border"]

[Text] The Supreme Soviet Defense and Security Committee has submitted the draft law "On the Russian Federation State Border" for its first reading.

It is known that in its content, form, and language, the USSR Law "On the USSR State Border," which was adopted in November 1982 on the initiative of Yu.V. Andropov, reflects the mentality of an era when border questions were

actively used in implementation of the plans of great-power geopolitics. Too many changes have occurred in the past decade. The collapse of statehood, the increase in social and ethnic conflicts, the fighting between countless social forces—that is the reality of our transitional society. It somehow reminds one of the Roman palace of Emperor Septimius Severus, which, after his death, was divided in half by his quarreling brothers with the passageways tightly barricaded....

What seemed unshakable even yesterday will collapse. The status of the borders is changing unilaterally too. With the evolution of the USSR into the CIS, the borders of the former union republics were declared "transparent." But certain contiguous states which used to be in the USSR established customs posts and border posts on their borders with the Russian Federation. Border troops, which were for the most part staffed by Russians, found themselves in interethnic conflict zones. Furthermore, they are being forcibly squeezed out of places where they were previously stationed. Scarce goods are being shipped out of Russia en masse and duty-free.

In this situation, in the face of clearly unfavorable trends in its development, the Russian Federation is faced with the urgent issue of protecting its borders.

Draft laws on an exclusive economic zone, on the continental shelf, on internal seas, and on the territorial sea and the contiguous zone are being prepared for examination in the Russian Federation Supreme Soviet. In addition to these there is the draft of the new Customs Code, which has been brought into line with the standards and norms of the most developed countries. However, the basic political-legal act, to which everything else will be made subordinate, will be the Russian Federation Law "On the Russian Federation State Border."

The law establishes a specific state border regime which includes the following: the maintenance of the State Border; the crossing of the border by individuals and means of transport; the transportation of goods and other objects and animals; the conducting of economic and other activity; and also the procedure for resolving incidents occurring in connection with the violation of the aforesaid rules by foreign states.

Taking into account the mutual interests of Russia and contiguous states, the law stipulates the possibility of establishing a reduced and even simplified State Border regime [vozmozhnost ustanovleniya na Gosudarstvennoy granitse rezhima ne v polnom obyeme i dazhe uproshchennogo kharaktera rezhimnykh pravil]. At the same time we are bearing in mind the delicate nature and complexity of national-state relations with CIS countries in the transitional period and the possibility of establishing the Russian Federation State Border in phases, and of enshrining them in bilateral and multilateral treaties.

The State Border regime will now be given a more clearly expressed humanist orientation. Let us hope that this will promote the growth of the Russian Federation's foreign economic relations and an increase in cultural exchange and tourism.

We must improve the outdated infrastructure at State Border crossing locations, however. Echoes of past events when "border questions" were used to heat up the situation and alienate peoples can still be heard today. In recent years, for example, Russian-Chinese border and interregional trade has been developing extremely rapidly (from $88 million in 1987 to $2 billion plus last year). This growth in commodity exchange has sharply exacerbated the problems of transport provision for Russian-Chinese trade, given the cross border control regime which has been inherited from the "stagnation" years. On 1 August of last year, for example, a total of 5,789 freightcars loaded with goods for China accumulated at the Zabaykalsk railroad station alone. Over 100,000 tonnes of metal structures and equipment for Chinese enterprises, including for three major thermoelectric power stations, have built up at Russian enterprises....

The security and inviolability of borders as the fundamental concept of the border aspect of military political science must be the basic element in the elaboration of conceptual provisions in the protection of the border in contemporary conditions. The usual categories of border security and vigilant border protection also require renewed meaning.

The danger of the following "evils" persists even now—infiltration by spies, saboteurs, smugglers, and other violators of the state border; illegal transportation across the border of explosives, toxic substances, radioactive substances, narcotics, weapons, ammunition, and other materials whose import into or export from the Russian Federation are prohibited, as well as items of contraband; invasion by military groups and gangs; armed provocations on the border; and attempts to change the border by force. The internal instability of CIS countries and other states of the former USSR, mutual mistrust, nationalist outbursts, and armed confrontation between various social and ethnic groups and their appeals for assistance from outside are intensifying this danger. In a number of countries there is also the danger posed by revanchist groups and trends. If accompanied by a specific development of internal processes in CIS countries, or by a change in the international climate, this danger may grow into a threat.

To my mind, the law on the border will help all subjects enjoying the protection of the border to avoid both an overstatement of ideological motives in assessing the realities and a gulf between an understanding of what is reasonable and desirable on the one hand and what exists in fact. It will condition a state's reasonable behavior which takes into account all circumstances—including any overt or covert threat of the use of force or subversive means—which unfortunately have still not lost their significance.

International Affairs

Kravchuk Interviewed Before Moscow Visit

PM0501180593 Moscow IZVESTIYA in Russian 6 Jan 93 Morning Edition p 5

[Aleksandra Lugovskaya report on interview with President Leonid Kravchuk in Kiev; date not given: "Leonid Kravchuk on Ukraine, Russia, and the CIS"]

[Text] I conversed with Ukraine's president just before his working visit to Moscow, scheduled for the first half of January. He and President Yeltsin are due to discuss a package of documents regulating Russian-Ukrainian relations in the economy, the military sphere, and the sphere of human rights. The initiative for this summit meeting came from Leonid Kravchuk. Describing his attitude toward today's Russia, he spoke figuratively but without a trace of humor: "I am in bed with an elephant. This is a nightmare—I am afraid that I may accidentally wake him up." It is obvious that the two presidents will not be able to avoid another important topic—the future of the CIS, which will again be decided at the 22 January heads of state summit in Minsk. We are giving IZVESTIYA's readers an opportunity to familiarize themselves with the Ukrainian president's positions.

The need for the meeting, according to Leonid Kravchuk, was dictated by the circumstances prevailing in the economy and by Ukraine's desire to determine its course in view of next year's acute economic problems.

[Kravchuk] We make no secret of the fact that we are primarily interested in energy sources. Ukraine has not built its own terminals, we have no tanker fleet, and now we are completely dependent on a single "Russian pipe," something that is actually incomprehensible in world practice. We would require 40 million tonnes of oil in order to lead a normal life in 1993, but we are realists and understand that Russia will set a quota for us, seeing that oil extraction levels are declining there. But we also have our own quotas: On sugar, sunflower oil, and other categories of foodstuffs and industrial goods which are also produced "uniquely" [v "yedinstvennom ekzemplyare"]. Thus, Ukraine accounts for 90 percent of aeroengines produced in the CIS. Therefore, we will present our list, Russia will present its list, and we will try to reach agreement. We will start gradually to reform the economic structures, abandoning the absurd "unbreakable ties" and strengthening ties that are new and mutually advantageous. [Kravchuk ends]

During the visit, the Ukrainian delegation intends to suggest interesting and mutually advantageous projects to Moscow: specifically, a provision on free movement of goods and labor between Ukraine and Russia. A document stimulating the investment of Russian capital in Ukraine's industry could become an important innovation. It has been elaborated on the basis of the law on protection of foreign investments, which has already been adopted by the Ukrainian parliament. Under this law, entrepreneurs are totally exempt from all taxes during the first two years, and will pay taxes only at preferential rates in the next five years.

Asked whether the border customs regime and Ukraine's new national currency would hinder free trade, President Kravchuk replied that he perceives no major tragedy in this.

[Kravchuk] They have yet to hamper a single state's normal economic relations. After all, the initiative concerning borders and customs came from Russia. Look at the border today and you will see just two militiamen on the Ukrainian side but a ferroconcrete wall and servicemen with assault rifles on the Russian side. There is also the Russian OMON [special-purpose militia detachment] illegally stopping trains carrying oil to Ukraine. Thus, "naughty" Ukraine is being blamed because its voice is too weak.

[Lugovskaya] Mr. President, allow me to doubt that Ukraine's voice is too weak—its statement about nuclear-free status was heard immediately. Nonetheless, the leaders of many major countries are inclined to doubt the sincerity of your state's intentions. Are the Moscow talks intended to cover the military package of questions?

[Kravchuk] More than likely there will be just one question—concerning the strategic forces. We are talking about 130 missile complexes, assembled in Russian plants in the past. Yes, we really do need utmost clarity on this question. Russia and we must agree on servicing them until they are destroyed, determine the cost of each weapon [zaryad] and the expenditure on "looking after" it, and set a schedule and terms for the withdrawal of the missiles to Russian territory. We wish to know whether we will receive from Russia any compensation for Ukraine's nuclear assets, seeing that we received nothing for the tactical weapons. At the same time, we are purchasing enriched uranium from Russia at full current prices. We are also interested in Ukraine's share of the financial aid from the United States earmarked for the destruction of nuclear weapons on the territory of the former USSR—this amounts to several billion dollars. And the size of it. After all, Ukraine, which signed the START I Treaty together with Kazakhstan and Belarus, is only one part of the "nuclear whole." In other words, we must define Ukraine's obligations and Russia's obligations to Ukraine and the whole world. [Kravchuk ends]

Leonid Kravchuk hopes that the Ukrainian parliament will ratify two most important international documents in January—the START I Treaty and the Treaty on the Non-Proliferation of Nuclear Weapons. Following this, in his opinion, it will be possible to embark on the practical implementation of the treaty provisions, envisaging a seven-year period for the elimination of nuclear weapons. As president and head of the executive power, he is firmly convinced that Ukraine must be a nuclear-free state.

In assessing the Russian-Ukrainian political climate, the president was more than restrained. He stressed that in the political sphere both states are guided by the 1990 bilateral agreement, the basic provisions of which remain current today: protection of civil and human rights, territorial integrity, and noninterference in internal affairs. However, he expressed regret that at the Russian legislative branch level these principles are constantly violated: The Russian parliament has examined the Crimea question and denounced the USSR Supreme Soviet Presidium edict of 1954; and the recent Congress of People's Deputies, having discussed the status of Sevastopol, tasked the Supreme Soviet with finally determining this status.

Indicating the unilateral nature of the decisions made by Russia and the inconsistency between the legislative acts and principles of international law enshrined in international documents, Leonid Kravchuk focused particular attention on the fact that imperial forces on both sides of the two states' border are deftly exploiting this "territorial monologue" in order to play political games to the detriment of their peoples: the national-patriots, Russian chauvinists, and Ukrainian nationalists who are stoking the internal situation in Crimea. In his opinion, it is precisely they who are dragging the peoples into a struggle because, however strange it may seem, their interests coincide at moments of heightened tension.

[Kravchuk] I would ask you to find just one document by the Ukrainian Government or parliament that contains any hint of territorial claims against Russia. Such claims could also exist in our country, you know. I am speaking about this because I know about it: Such claims will never arise, this word will never be uttered, because, were it to be uttered, a political crisis situation would immediately arise, we would reach the limit of mutual concessions and the boundary beyond which the people's interests lie. And I understand perfectly well that in our two states alone 3 million servicemen are currently going around "under arms," that there are 1,920 warheads [boyevyye zaryady] in our nuclear arsenals, and that our territories are covered with nuclear power stations.... And if these shortsighted politicians whose minds are clouded by chauvinism and nationalism "rock" Ukraine and Russia and cause our peoples to collide, it will be an unimaginable tragedy for the whole world. Therefore, when I sit down at the negotiating table, even knowing the limit of our concessions, I go beyond this limit, although I am not just the president, I am a man, and in the end I too have my pride. But I would like the other side to understand this.

[Lugovskaya] Does this mean that you would allow Russia to pose a potential threat to Ukraine's statehood?

[Kravchuk] I do not want you to take it that way: A threat from Russia, Yeltsin, or Chernomyrdin.... I certainly do not mean this. The threat comes from internal structures inspired by certain forces within Russia and Ukraine. And I am really afraid, I have a feeling that if things get much worse economically, which is inevitable, they can be exploited in such a way that the call will go out again: "Save Mother Ukraine!" That is to say, come and rule us. [Kravchuk ends]

The Ukrainian president's concern is also aroused by the political processes under way in Russia: both in political circles—statements about Russia's interests in all the newly created national sovereign states, calls to revive the USSR ("this is the flesh of our flesh") ["a eto krov"], and to change to a socialist-oriented policy—as well as those taking place in the higher echelons of Russian power. He substantiated in detail the reasons Ukraine follows the development of events in its neighboring state so closely, why it observes the situation, analyzes it. But even if Ukraine were to harbor clandestine aims in respect of Russia, Leonid Kravchuk believes, then in this case too Russia should understand what it means to live border to border with such a neighbor, how important it is to know him, so as to amend one's policy, because any changes in Russia will affect Ukraine immediately.

During the constitutional conflict between the president and the Congress of People's Deputies, Leonid Kravchuk sent Boris Yeltsin a telegram unequivocally supporting the continuation of the democratic processes in Russia and the development of the economic reforms.

[Kravchuk] It represented my own selfish, national interest, if you like, because we are directly affected by cutbacks in oil production, and we depend upon supplies of parts from Russia to Ukrainian plants.... Great efforts were made by the Congress to alter the president's constitutional function, but thanks to mutual accord and the positive role of the Constitutional Court in attaining this, the president managed to retain the most important functions. I see the fact that the new prime minister, Viktor Chernomyrdin, has left ministers from the previous government in the main posts as a hopeful sign that the reforms will continue. This is all I can say to you on this question, or I will be accused of interfering in another state's internal affairs. We see our participation in the democratic processes in Russia as being to fulfill our commitments in economics and politics without making unfounded claims, and to find a peaceful solution to the problems of the Black Sea Fleet...without complicating what is already a difficult situation for President Yeltsin and for Russia.

[Lugovskaya] It seems from the sidelines that your relations with Boris Nikolayevich are strained. It seems as if you are forcing yourselves to exchange "political embraces." Is this true?

[Kravchuk] Not at all, our relations are normal. It is simply that such relations are typical. Boris Nikolayevich on the outside is a person who is unapproachable, and I in contacts at any level never try to act as a battering ram. I maintain acceptable relationships without forcing my stereotypes on anyone. [Kravchuk ends]

Despite the negotiations' packed agenda, Leonid Kravchuk hopes to be able to discuss what is from his

viewpoint one more very important question with President Yeltsin—that of dual citizenship. Each state's national laws uphold the rights and freedom of Ukrainian citizens of Russian origin and Ukrainians living in Russia, who amount to 11.5 and 5 million people respectively. However, in order to receive dual citizenship—and many people are expressing such a desire—interstate guarantees based on a separate agreement are necessary.

But the Ukrainian president is not settling this problem completely with these measures alone. He is convinced that in this very area, like in no other, democratic processes of mutual rapprochement should take place. And here the ball, in his opinion, is in the court of the spiritual leaders: the democratic politicians, the intelligentsia, and the clergy.

[Kravchuk] For me it is important that a person is economically and politically free; then he can live under any "roof." But it is difficult for me as president to explain why a Russian in Ukraine is free to pick his language, school, theater, cultural environment, that is, his spirituality, while a Ukrainian in Russia is not. People are saying that, apparently, a Ukrainian school is opening in Moscow, and one somewhere in the Far East. But nowhere will you see a single newspaper nor will you hear a single broadcast in Ukrainian, nor will you find a Ukrainian theater—even in Yakutiya, where approximately 600,000 Ukrainians live, or in Tyumen, where there are just as many. So I pose the Russian democrats this question: If we are defending Russians' interests in Ukraine, why is it that you have never anywhere posed the question of defending the interests of Ukrainians living in Russia—not in the Supreme Soviet, nor in the government? I have my own answer: Because a Russian democrat stops being a democrat where Russia begins. You can do anything if you so desire. Enough time has passed. [Kravchuk ends]

It would seem that the topic of the conversation had been exhausted. But, apart from Russian-Ukrainian relations there was also the fate of the peoples of the former USSR, which broke up exactly a year ago. There are the difficulties, problems, tragedies, wars.... There is now a new turning point in the CIS itself.

[Lugovskaya] Tell me, what does Kravchuk's present "line" amount to? Leaving the CIS?

[Kravchuk] Not under any circumstances. I have supported, do support, and will continue to support the CIS. All that I am against is it being given the status of the Soviet Union by the "back door." But there should not be a split. And if the question of a confederation were to arise today, Russia and Kazakhstan would join it immediately, and Belarus as well, although a new CIS charter has indeed been announced. Taking into consideration the grave position they are in, Armenia and Tajikistan would join. But at the same time I think that Uzbekistan and Turkmenistan will not make such a decision, because for them it means a loss of independence. Ukraine will also not leave the CIS, and the CIS itself will not die.

[Lugovskaya] Do Nazarbayev and you occupy diametrically opposed positions at the moment?

[Kravchuk] No, I do not want Nazarbayev to be my complete opposite. He always was consistent and did not change his views. I respect such people, because I know what kind of actions he will take, and I can prepare my own. Nursultan Abishevich is as you find him. I do not want to change him, but he should not try to change me. I am in favor of a discussion on matters of principle in Minsk. If the meeting takes place—and this does not only depend on me—I will be there without fail.

Yeltsin, Kravchuk To Discuss Nuclear, Other Issues

LD0501174193 Moscow ITAR-TASS World Service in Russian 1632 GMT 5 Jan 93

[Text] Moscow, 5 January (ITAR-TASS)—A meeting is planned between the presidents of Russia and the Ukraine, but it may not take place before the second half of January. An ITAR-TASS correspondent was informed about this today by a representative of the Russian president's press service.

During a conversation with French Ambassador to Ukraine Hugues Pernet in Kiev today, Ukraine President Leonid Kravchuk stated: "Boris Yeltsin and I will discuss issues relating to the development of Ukrainian-Russian relations, the division of the Black Sea Fleet, the fulfillment of the Yalta agreements, power engineering and ecological problems, and also nuclear disarmament issues."

Yeltsin 'Sources' Refuse To Confirm

OW0501152793 Moscow INTERFAX in English 1516 GMT 5 Jan 93

[Following item transmitted via KYODO]

[Text] At a press conference in Kiev on Tuesday [5 January] Ihor Yukhnovskyy, the Ukrainian First Vice Premier, reported that Boris Yeltsin and Leonid Kravchuk, the Russian and Ukrainian Presidents, would meet on January 9 in Moscow.

Kravchuk's press service reported to an INTERFAX correspondent in Kiev that the main theme of the forthcoming negotiations would be economic problems, in particular, the prospects of fuel and energy deliveries from Russia.

However, reliable sources close to the Russian President refused to confirm or to refute the information received from Kiev. The press service of the Russian President does not exclude a possibility that this meeting can take place in the next few days but the definite date of the summit has not been fixed yet. Besides, the press service

points to the fact that "a number of other arrangements has been scheduled for January 9, on Saturday, in the Kremlin."

To Meet 'Approximately' 15 Jan

LD0501221993 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 2100 GMT 5 Jan 93

[From the "Novosti" newscast]

[Text] The presidents of Russia and Ukraine, Yeltsin and Kravchuk, are planning to meet in Moscow on approximately 15 January. An RIA correspondent was told this by Melnikov, an aide of Kravchuk.

Previously it was stated in Moscow and Kiev that the meeting would not take place before the second half of January.

The meeting has already been postponed several times. In an interview in KOMSOMOLSKAYA PRAVDA, Ukraine's Premier Kuchma today expressed regret in this connection. At the same time Kuchma said that he understands the situation; he recalled how Chernomyrdin had phoned him to tell him that the president was very tired. As Kuchma noted, this is not surprising after Yeltsin had to endure such a marathon at the Congress of People's Deputies.

Kravchuk Receives Outgoing French Ambassador

LD0601100393 Kiev Radio Ukraine World Service in Ukrainian 0800 GMT 6 Jan 93

[Text] Ukrainian President Leonid Kravchuk today received Hugues Pernet, ambassador extraordinary and plenipotentiary of the Republic of France to Ukraine, in connection with the ambassador's departure to Moscow on diplomatic work.

Leonid Kravchuk thanked the ambassador for his fruitful work for the good of the two peoples, and wished him success in the diplomatic sphere. The development of Ukrainian-French relations has recently been put into practice with the most active participation of the French Embassy in Ukraine and its leader, he noted.

My departure does not mean that I am breaking my links with your beautiful country, Hugues Pernet said. I will always recall my work here with satisfaction. I have acquired extensive experience in Ukraine, which will be useful to me in my further activities.

At the request of the French ambassador, Leonid Kravchuk described the politics (?and) economic situation in Ukraine. He emphasized that the new government has begun to act decisively. It receives support, even from the opposition, which the previous government did not have. Naturally, the measures which it has been forced to use are not popular. However, the course for providing for the poor sections of the population is unchanging.

Touching on his next meeting with Russian President Boris Yeltsin, Leonid Kravchuk reported that issues connected with the development of Ukrainian-Russian relations, the Black Sea Fleet, the implementation of the Yalta agreements, and power and ecological problems will be discussed during the meeting.

Economy, Nuclear Treaty Discussed

LD0601000693 Kiev Ukrayinske Telebachennya Television Network in Ukrainian 1700 GMT 5 Jan 93

[Text] Vasyl Durdynets, first deputy chairman of the Supreme Council of Ukraine, met a delegation from the General Directorate of the French Gendarmerie and Hugues Pernet, ambassador of France to Ukraine. The guests were informed about the social and economic situation in Ukraine, and about the preparations at the Supreme Council for examining at its session the issue of ratifying the treaty on reduction and limitation of strategic offensive weapons and acceding to the nuclear non-proliferation treaty. Answers to other questions were also given.

Yukhnovskyy on Fuel Provision Agreements

LD0501183093 Kiev Radio Ukraine World Service in Ukrainian 1600 GMT 5 Jan 93

[Text] Ukraine First Deputy Premier Ihor Yukhnovskyy held a news conference today for Ukrainian and foreign journalists on the results of the talks of the delegation of the Cabinet of Ministers of Ukraine with the governments of Kazakhstan and Turkmenistan.

The talks proceeded with some difficulty, but successfully. Kazakhstan will deliver 2 million tonnes of oil to us on barter terms, he emphasized.

In general, regarding the provision of fuel, the current year could turn out rather difficult for Ukraine, Ihor Yukhnovskyy said. We need a minimum of 36 million tonnes of oil, but we only extract five of this [as heard]. There is no agreement yet about fuel deliveries from Russia. This issue will be discussed by President Leonid Kravchuk and Russian President Boris Yeltsin.

We have reached an agreement with the government of Turkmenistan; Ukraine will buy gas at 10,000 karbovanets for 1,000 cubic metres. The Turkmen side proposed a list of goods for sale on the Ukrainian market.

Ihor Yukhnovskyy also reported that since Russia did not present materials regarding the external assets and debts of the former Soviet Union by 31 December 1992 in accordance with the protocol, Ukraine is suspending the operation of this protocol.

Decree on Military Return From Georgia, Tajikistan

WS3112133292 Kiev KHRESHCHATYK in Ukrainian 4 Dec 92 p 2

[Decree by President L. Kravchuk: "On the Return to Ukraine for the Military Service of the Servicemen—

Ukrainian Citizens From Military Units Deployed on the Territories of Georgia and Tajikistan"]

[Text] To secure observance of the Law of Ukraine "On the Armed Forces of Ukraine" I decree:

1. The Cabinet of Ministers of Ukraine is to:

a) secure the return to Ukraine from Georgia and Tajikistan of the servicemen—Ukrainian citizens, considering their wish to serve on the territory of their state:

—servicemen of the active service—until 1 February 1992;

—officers, praporshchyks [noncommissioned officers], and servicemen of the extended service—during 1992-1993, individually, according to the agreement between the Chief Personnel Directorate of the CIS Joint Armed Forces and the Personnel Directorate of the Ukrainian Ministry of Defense;

b) send delegations of the representatives of the Ukrainian Ministry of Defense, the Committee for the Problems of the Social Security of Servicemen at the Cabinet of Ministers of Ukraine, and the Committee of Soldiers' Mothers (under their consent) to Georgia and Tajikistan to hold talks with the leaders of the governments and the Armed Forces commands of these states on the issue of the return of the servicemen to Ukraine.

2. The Ukrainian Ministry of Defense is to secure the transportation to Ukraine of the servicemen from the places of deployment of their units in Georgia and Tajikistan, also by means of military air transport.

[Signed] President of Ukraine L. Kravchuk.

[Dated] Kiev, 1 December 1992.

National Affairs

Officials Fired for Nuclear Waste Storage 'Violations'

OW0501200993 Moscow INTERFAX in English 1941 GMT 5 Jan 93

[Following item transmitted via KYODO]

[Text] Georgiy Gotovchits, the minister on protection of the population from the consequences of the Chernobyl atomic power station catastrophe, dismissed Boris Kucherenko and Vitaliy Cherednichenko, the director and the chief engineer of the Kiev inter-provincial special plant, "for repeated cruel violations during the storage of nuclear wastes." This information was received by INTERFAX from the press service of the Kiev state administration on Tuesday [5 January].

The plant for the storage of radioactive wastes is situated 5 kilometers from Kiev in the village of Pirogovo along the gliding pattern of the airport Zhulyany. It was built in 1956 and according to several public organizations and independent experts, does not satisfy the security requirements. Gosatomenergonadzor, the Ukrainian General Prosecutor, the presidential representative in Kiev, the trade unions, and the party of "the Greens" stand for its closing.

Commission Formed To Plan State Nuclear Policy

LD0501171993 Moscow ITAR-TASS World Service in Russian 1344 GMT 5 Jan 93

[Text] Kiev, 5 Jan (UKRINFORM-TASS)—A commission for nuclear policy matters has been set up under the president of Ukraine to draw up scientifically based proposals for shaping state nuclear policy and creating mechanisms for its implementation. The well-known scientist and academician of the Ukrainian Academy of Sciences V. Baryakhtar has been appointed its chairman.

The commission's main tasks include the preparation of recommendations on shaping state nuclear policy and the analysis of the drafts of law-making acts on matters of the use of nuclear energy. The commission's sphere of activity also covers the study of new design and engineering solutions in the use of nuclear energy, including international designs of importance for Ukraine and the drawing up on this basis of the relevant proposals.

Nuclear Charges To Be Converted Into Fuel

LD0501231393 Kiev Ukrayinske Telebachennya Television Network in Ukrainian 1900 GMT 5 Jan 93

[Text] Ukraine will sign all treaties concerning the nonproliferation of nuclear weapons, but Ukraine does not want to give away all nuclear charges at no cost. Ihor Yukhnovskyy, Ukraine first deputy prime minister, stated this at a news conference for journalists. He said that our atomic power stations have to purchase nuclear fuel each year (?at an amount of nearly) $100 million. Thus Ukraine will endeavor to transform its nuclear charges into fuel for atomic power stations.

Premier Appeals for Confidence in Cabinet

AU0501155593 Kiev HOLOS UKRAYINY in Ukrainian 31 Dec 93 p 3

[Report on interview with Prime Minister Leonid Kuchma by unidentified UKRINFORM correspondent; place and date not given: "The Premier Speaks About 1993"]

[Text] *On New Year's Eve, Ukraine's Prime Minister Leonid Kuchma gave an interview to an UKRINFORM correspondent.*

Briefly, the main statements of the interview are as follows: The government has to work as a fire brigade. There is little time. However, strategically, the government has determined its position.

Fuel

Russia is our only supplier of both oil and gas. Other partners are a matter for the future. Energy-intensive industry, and in particular metallurgy, is an internal reserve. There is a need for restructuring. However, this cannot be done overnight. The rubles to pay for products that go from Ukraine to Russia are staying there. In accordance with all laws, they should come to us. Therefore, on the president's recommendation, it is categorically forbidden to export products before advance payment is received. This will remove the acuteness of the problem regarding rubles and financial settlements.

Today, we are receiving about 100,000 tonnes of oil a day. We need 150,000 tonnes. The premiers of Ukraine and Russia have agreed that there will be no delays. Now, the heads of state must decide the question of quotas.

However, it is a fact that there is squandering and stealing of even what fuel there is. It is necessary to put an end to this.

Price Increase

The government has had to do this. The national product is decreasing. If we work better, our life will also be better. The higher energy prices are also a factor here.

To protect the poorest, we will in the near future, increase minimum wages and pensions. Those who are able to work must work, without state protection. The government intends to introduce order into the sector of wages. Competition—who will pay more—is dangerous. Progressive taxation will be imposed on the high wages that are funded by price increases rather than by productivity increases. The government is working on raising motivation and incentives for labor and on increasing the variety and quantity of goods.

Prediction

By December 1993, we will put our household in basic order. We will beat down inflation by two or three percent a month. We have close ties with Russia, Belarus, Kazakhstan, and so on. We will agree not to harm one another, lest we all lose. Russia's Prime Minister V. Chernomyrdin is in the mood to cooperate, so are we. However, the process of separation and of severing expenditure [zatratni] ties must proceed in parallel with maintaining the necessary ties and without shocks.

Wishes for Fellow Citizens

May the confidence for the Cabinet of Ministers prevail. If there is no confidence, the Cabinet will resign. You must understand the difficulties. We gave you a bad present for last New Year. We realize this. We hope that the forthcoming New Year will be a better one. A Happy New Year and Merry Christmas! May there be peace and prosperity in every home!

Cabinet Decision on Compensation Plan; New Ministers

LD0601112693 Kiev Radio Ukraine World Service in Ukrainian 0800 GMT 6 Jan 93

[Text] A regular meeting of the Ukrainian Cabinet was held 5 January at which a whole package of draft decrees aimed at stabilizing the economic situation in the country was discussed.

First to be examined was the draft indicative plan, a forecast of Ukraine's economic and social development for 1993. It was emphasized during the discussion that work on this document, and also on the state budget for 1993, should be completed by 25 January.

A number of decrees which determine customs policy were discussed and approved. Among them were: a unified customs tariff for Ukraine; the procedure for imposing customs duty on articles which are brought in or are sent in to Ukraine by citizens; export customs duty in 1993; state customs duty; the regulation of quotas and licenses for the export of goods, work, and services.

The long-awaited document on compensating citizens of Ukraine for losses from the devaluation of savings in the Savings Bank was discussed and adopted. It is proposed to carry out compensatory payments on the balance of deposits from 2 January 1993 for an amount of no more than 2,000 karbovantsi, by means of increasing it by 200 percent for only one savings book per depositor. The compensatory payments are to be carried out from 1 January to 1 July 1993.

The draft decree on regulating the use of administrative buildings and nonaccommodation premises, which are state property, was examined.

The resolution of the Ukrainian Cabinet of Ministers on concluding economic treaties for 1993 was also adopted.

Prime Minister Leonid Kuchma introduced new ministers to his colleagues at the government session: Yuriy Serbin for matters of building and architecture; Anatoliy Hrytsenko for power and electrification.

After the meeting ended, a briefing for Ukrainian and foreign journalists took place.

Moscow Paper Interviews Vice Premier Pinzenik

MK0501153893 Moscow NEZAVISIMAYA GAZETA in Russian 5 Jan 93 pp 1, 3

[Interview with Vice Premier Viktor Pinzenik by Vitaliy Portnikov under "Ukraine" rubric; place and date not given: "Did Gaydar Really Lose? Vice Premier, Economy Minister Viktor Pinzenik: Team of Reformers Has Come Into Government"]

[Text] [Portnikov] You have frequently talked of your optimistic vision of reforms. But the experience of implementing them in other former republics of the Soviet Union shows that it is the reformers who are

having the most difficult time. States' leaders are still preserving their positions. The person implementing the reforms is the one paying for it. Prime Minister Leonid Kuchma says that you are responsible for the reforms.... And now unpopular decisions have begun to be made....

[Pinzenik] I am not the one making the decisions. But they are being prepared in the heart of the economic ministries, with the involvement of specialists. I am not complaining against fate. It is a normal, usual phenomenon. We are indeed embarking on unpopular steps, we are embarking on treatment, on an operation, without which the pain cannot be removed. But we know what is going to follow this. We have now adopted decisions which make it possible to put economic processes under state control. This was not the case previously. So we released prices hoping that the market would miraculously appear in our country. It has not.

And it cannot appear in a monopoly environment. This is a reality that we cannot fail to take into account. This mistake has been made both in other republics and in our country. Now we are rectifying it. We are establishing control, for example, over the price formation process. We are not fixing prices—enterprises make proposals and we just agree. We will relinquish control only when we are demonopolizing the market for a given category of commdities.

[Portnikov] How significant can a reformer's personality be in the reform process? We talk a lot about personalities, meanwhile in Russia we have already become tired of relying on both Grigoriy Yavlinskiy and Yegor Gaydar, and now on Boris Fedorov. Reform efforts in Ukraine were identified with Vladimir Lanov, now they are identified with you. Meanwhile the power structure—both in Russia and in Ukraine—remains the same....

[Pinzenik] I want to remind you again that the decisions are made not by me but by the Cabinet of Ministers. And so far not a single decree [dekret] prepared by the bloc of economic ministries has been rejected. This means that a team of reformers has appeared in the government. Otherwise, no matter who took up my post, if this person was alone, he would not be in a position to change anything.

[Portnikov] Possibly this is the most interesting thing in present-day Ukrainian experience—the team that has come into the new government. When the reforms were beginning in Russia, Yegor Gaydar's colleagues and confederates came into the government. The appearance in the cabinet of the first industrialist vice premiers (Vladimir Shumeyko or the self-same Viktor Chernomyrdin) was perceived as a concession to the forces that do not want these reforms in any case. In Ukraine, reforms are being carried out by a team simultaneously comprising both industrialists and economists. Could this really be an ideal composition?

[Pinzenik] There is no such thing as an ideal team. It is hard to find people with identical views. And it is very bad if everyone has the very same views! Because everyone makes mistakes after all. Yes, our prime minister is an industrialist, and furthermore from the sphere everyone was afraid of—the defense complex. But you can see how energetically our decisionmaking process is proceeding.

Incidentally, I do not believe that Yegor Gaydar lost. Can he really have done so little? Mistakes included? But nobody is insured against mistakes. Something else is more important. It is better to learn from other people's mistakes, from neighbors' mistakes. Incidentally, we studied many countries' experience. If a mistake has been made it must be rectified immediately. When the question arose that a tough monetarist approach should not be used to put a squeeze on—were some of the industrialists' proposals really unfair? The economy must not be allowed to grind to a halt. Everything looks very good in theory: Implement a tough policy through market mechanisms—and everything will sort itself out. But in an economy that was based on diktat and command, everything is not so easy. It is very good that in our team there are people who have always worked in production. They and I can very easily find a common language.

[Portnikov] In a NEZAVISIMAYA GAZETA interview Prime Minister Leonid Kuchma described relations between Ukraine and Russia as an economic war. Do you agree with this assessment? And is an economic war possible during a period of reforms?

[Pinzenik] Even if economic reforms were not being implemented an economic war does not benefit either Russia or us. What can we win? We will only perish together. That is a road to nowhere. If Russia blockades us, we too could hit back with something—for example, stop oil and gas deliveries transiting our territory. But that is not constructive.

For the time being we must catch up with Russia. But in certain cases we have already taken account of Russian experience and mistakes. We are trying to avoid similar miscalculations. We have gained a fair momentum. We have already adopted 30 decrees and several more are in the offing, which is a considerable amount in such a short time. But time must elapse for these decrees to bring a return. I hope that our compatriots understand this.

Deputy Ministers Detained for Corruption

AU0501133793 Kiev MOLOD UKRAYINY in Ukrainian 1 Jan 93 p 1

[Unattributed report published under the rubric "Fact"]

[Text] Deputy Minister of External Economic Relations Leonid Steshenko and his colleagues Andriy Pohrebnyak and Vitaliy Kalha have been detained by Ukraine's

Security Service on suspicion of obtaining many thousands of bribes in hard currency in return for licenses to export goods that are in short supply, as well as raw materials and metals.

Admiral Kasatonov's Transactions Declared 'Void'

WS0501133393 Kiev KYYIVSKA PRAVDA in Ukrainian 3 Dec 92 p 1

[Unattributed report from the "Ukraine and the World" column: "A Stop for Admiral Kasatonov"]

[Text] As was already reported, Admiral Kasatonov made a number of illegal commercial transactions selling out the Black Sea Fleet materiel. Following the directive of the Ukrainian president representative in the city of Sevastopol, I. Yermakov, all the documents will be declared void, unless coordinated with him.

Defense Ministry Officials Reject Attacks on Morozov

OW0601134993 Moscow INTERFAX in English 1203 GMT 6 Jan 93

[Following item transmitted via KYODO]

[Text] The Ukrainian Defense Ministry's senior officials rejected Ukrainian deputies' complaints that in the Ukrainian armed forces the communist ideology has been replaced with the nationalist ideology, while the personnel policy is being controlled by the Union of Ukrainian Servicemen (a national- democratic public organization).

The Ukrainian Defense Ministry's press service informed Interfax that during their meeting, the ministry's senior officials stated that the development of the Ukrainian armed forces proceeded in accordance with the legislative acts passed by the parliament, president, government and the president's Defense Council. They also described the Ukrainian armed forces as controllable, combat-ready and capable of defending Ukraine's independence. The ministry's senior officials also stated that the principle of departization is strictly observed in the Ukrainian army.

In an appeal to the presidium of the Ukrainian parliament, 155 deputies (35% of the deputies) urged that Konstantin Morozov be freed from his defense minister's duties.

Earlier, the deputies' accusations had been refuted by the defense minister himself, who expressed readiness to present an account of his work to the Ukrainian parliament.

'New Ukraine' Announces Support for Government

OW0401165793 Moscow INTERFAX in English 1617 GMT 4 Jan 93

[Following item transmitted via KYODO]

[Text] "This year may see fundamental changes in the Ukrainian economy", says the leader of the 'New Ukraine' association Volodymyr Filenko.

He said on the republican radio on Monday [4 January] that the New Ukraine association would firmly support the Leonid Kuchma Cabinet in reforming the national economy. Filenko called on the affiliated political forces to unite.

Filenko is certain that Kuchma is a "more progressive politician" in contrast to his Russian counterpart Viktor Chernomyrdin. "Our government is oriented to the market to a greater degree that the Russian one", Kuchma said.

New Ukraine leader attributes Russia's certain achievements on the way towards a market economy to the government of Yegor Gaydar, whose resignation he sees as a "victory of anti-reformist forces in the Russian Federation". The New Ukraine movement unites the Party of Democratic Revival, the Social Democrats, the Liberal Democrats and the ecological party, the "Greens". The leadership of New Ukraine includes such leading economists as Volodymyr Lanovoy and Volodymyr Pilipchuk. New Ukraine is represented in parliament by a faction of the same name.

Two Social Democratic Parties Merge

WS3112133792 Kiev KHRESHCHATYK in Ukrainian 2 Dec 92 p 5

[Unattributed report: "Social Democrats Unite"]

[Text] The Social Democratic Party of Ukraine [SDPU] has received quite a substantial reinforcement. At its fourth congress, it adopted a resolution on merging with the United Party of Social Democrats. Thus, the SDPU now numbers about 1,700 members.

The congress, which took place in Kiev 28-29 November, adopted a new wording of the statute, discussed the party's program and the political situation in Ukraine, and outlined its cooperation with other political organizations. Y. Zbitnev, the chairman of the SDPU and Ukraine's people's deputy, pointed out that the party is seeking to expand its contacts. He declared that the Social Democrats will cooperate with all the political forces, spare no efforts to make our society more humane, and our state closer to the interests of its citizens.

The congress also adopted the SDPU symbols—a blue banner with a stylized yellow rose and seven stars displayed in a semicircle.

Preparations Under Way for New Komsomol Congress

OW0501211593 Moscow INTERFAX in English 1942 GMT 5 Jan 93

[Following item transmitted via KYODO]

[Text] The reconstituted Congress of the Ukrainian Leninist Communist Union of Youth has been announced for January 9 in Donetsk. The planning committee is at the present moment working in Dnepropetrovsk.

Viktor Berezko, the Secretary of the Dnepropetrovsk Regional Committee of the Ukrainian Socialist Party, says the rejuvenated youth organization plans to "stand by socialist principles" and will try to be "pluralistic enough".

Government Issues Decrees To Regulate Imports, Exports

OW0601133793 Moscow INTERFAX in English 1202 GMT 6 Jan 93

[Following item transmitted via KYODO]

[Text] At its Tuesday's [5 January] session Ukraine's government issued decrees to regulate imports and exports.

The decree on unified customs tariffs fixes duties for the goods imported into Ukraine. It provides, among other things, for freeing commodities imported under state orders and under government contracts from customs duties.

The decree concerning the customs duties on the goods imported by individuals states that the goods, whose total value do not exceed 5 thousand dollars, are duty free, with the exception of alcoholic drinks (more than one liter of vodka and two liters of wine).

Strict customs duties are imposed on the imports of used cars. They increase depending on the period of time the car in question was in use. Foreign nationals who bring their private cars into Ukraine for a period of time, not exceeding one year, pay no duty.

The decree on quotas and licensing reduces the list of goods for which quotas and licenses are required from 376 to 180 points. Decisions on granting quotas and licenses will be made by the government at the request of its economics minister.

The Ukrainian government also considered a draft plan and budget estimates for 1993, and decided to submit them to the Parliament.

Monetary Unit Officially Termed 'Ukrainian Karbovanets'

AU0501133193 Kiev MOLOD UKRAYINY in Ukrainian 1 Jan 93 p 1

[Unattributed report published under the rubric "Fact"]

[Text] Ukraine's National Bank has stated that the monetary unit that is currently used as the only means of payment on the territory of Ukraine is called the "Ukrainian karbovanets." The term "coupon" only refers to the form of existence of the monetary unit in cash circulation in contrast to "banknotes," "Treasury notes," or "coins."

Minister Predicts Economic Improvement by Year's End

AU0501194393 Kiev HOLOS UKRAYINY in Ukrainian 31 Dec 92 p 4

[Statement by Viktor Pynzenyk, deputy prime minister and minister of the economy: "Three Percent Is Not 50"]

[Text] The New Year's price increases will be the last time prices increase so sharply. Moreover, we hope that in one or two months the prices of some goods will go down, although there will be no general reduction in prices. Unfortunately, we will not be able to beat inflation altogether within a year, as we implement the economic program. But, according to our estimates, it will be 3 percent a month by December. Today, inflation is over 50 percent. In the course of the year, we will stabilize production, that is to say, we will halt the decline in production. In some of the industries that manufacture consumer goods there will be a noticeable improvement by the end of the year.

At the beginning of the year, the internal convertibility of the coupon will be introduced. As soon as we have stabilized the economy, created a stabilization fund, and suppressed inflation, we will introduce the hryvnya.

Declaration of product prices will be introduced for self-made monopolists, who will not be able to raise their prices without justification.

Helsinki '90 Statement Condemns Human Rights Violations

WS0501133193 Kiev KYYIVSKA PRAVDA in Ukrainian 3 Dec 92 p 1

[Unattributed report from the "Ukraine and the World" column: "Human Rights Defenders Worried"]

[Text] The Coordinating Council of the human rights organization "Helsinki '90" has issued a statement on the human rights situation in Ukraine. The human rights activists are concerned by the escalation of violence by law enforcement organizations toward Ukrainian citizens and their public and political activities. The statement cited numerous examples of such actions.

Citizens Allowed Unrestricted Foreign Travel

LD0101183193 Kiev Radio Ukraine World Service in Ukrainian 1600 GMT 1 Jan 93

[Text] A Ukraine Cabinet of Ministers resolution covering urgent measures relating to foreign travel by Ukrainian citizens comes into force today. Volodymyr Shepel, chairman of the visa and registration department of the ministry of internal affairs, said this document corresponds fully to generally accepted international norms. From now on our compatriots have the right to travel outside the borders of their state without restrictions. In order to do so, one has to receive a general civilian passport which is valid for five years. For a private visit one must also have an invitation from a foreign country and a visa, a return ticket, and the necessary amount of hard currency in order to live in a foreign country. Shepel noted that from now on there would be no restrictions imposed on the frequency and number of travels per year of our citizens abroad.

First Stage of Television Complex Operational

OW0501135093 Moscow Central Television First Program and Orbita Networks in Russian 1945 GMT 4 Jan 93

[N. Gluzova report; from the "Utro" program]

[Text] And now we would like to congratulate the television viewers of Ukraine. In these first days of the new year, the first stage of the republican television studio complex has been put into operation.

[Begin recording] [Gluzova] The Ukrainians have waited for this event for nearly 15 years. During this time, the ensemble of buildings with its 100 meter tower has, on more than one occasion, remained in complete oblivion for many months. And only when the Kievgorstroy Corporation, the chief builder, entered its phase of economic and organizational renewal with the full support of the president and the republican government, could the state administration of the capital of the Ukraine actually hasten the period of completion of this long delayed construction.

On the eve of the new year, Leonid Makariyevich Kravchuk, the president of the Ukraine, visited the television studio complex, and held a press conference on the occasion. It took place in the largest studio, which has an area of 600 square meters. Another studio, measuring 150 square meters is also ready for use along with equipment... [Video and dialogue interrupted, video cuts to show Gluzova interviewing V. A. Polyachenko, president of Kievgorstroy Corporation]

[Polyachenko] Strictly speaking, in half a year we did as much as they usually used to do in a year. The order of figures is such that in just the last month we did 620,000 [currency not specified]. I am quoting 1984 prices so they can be comprehensible to all, because prices today are nonsensical by comparison, so I am quoting the old prices of 1984.

[Gluzova] What will we have here? What is being put into operation now, and what will be here eventually?

[Polyachenko] If I can give you some figures; even without a cinema concert hall, we have here on the order of 79,000 square meters of area, of which 56,000 is being put into operation as the first stage. Then in 1993, we will open a mirror-image area, albeit on a somewhat smaller scale, and in 1995 we will open the unique cinema-concert hall.

[Gluzova] Is there an similar complex elsewhere within the borders of the former USSR?

[Polyachenko] Unfortunately, I did not have an opportunity to visit other complexes, but in the opinion of specialists, Ostankino is analogous although it is bigger. However, architecturally and for comfort, it seems to me that ours is better.

[Gluzova] When will construction be finished?

[Polyachenko] According to plan, it will be in 1995.

[Gluzova] With delight, I can make a correction to that. According to the latest information, the final completion of construction of the main studio complex of Ukraine is slated a year earlier, that is, it will be completed in 1994. [end recording]

Belarus

Shushkevich Notes Willingness To Remove Nuclear Arms

LD0601024693 Moscow Radio Rossii Network in Russian 0100 GMT 6 Jan 93

[Text] Belarus is not seeking any special benefits from the nuclear armaments stationed on its territory. The Republic reconfirms that it is willing to get rid of these kinds of weapons, Belarus Supreme Soviet Chairman Stanislav Shushkevich stated to a RIA correspondent. Touching upon many Western politicians' concern that Belarus has not yet ratified the START I Treaty, Shushkevich observed that the Republic has been fulfilling all its undertakings in a calm and consistent manner, moving toward a non-nuclear status and neutrality.

Shushkevich said that the Republic's parliament had a whole number of documents that must be passed as a matter of priority.

Shushkevich To Visit PRC 8 Jan

LD0501232093 Minsk Radio Minsk Network in Belarusian 0400 GMT 5 Jan 93

[Text] An official visit by Stanislav Shushkevich, chairman of the Supreme Soviet of the Republic of Belarus, to China will start on 8 January. According to the press service of the Supreme Soviet of Belarus, Stanislav Shushkevich will hold talks with a number of Chinese leaders. It is envisaged that a package of documents will be signed on cooperation between Belarus and China in the economic and cultural spheres and as well as the political sphere. In particular, a joint communique will be adopted, and agreements on mutual protection of investments and visa-free official and tourist travel, a consular convention, and other documents are scheduled to be signed.

Armed Forces, KGB Swear Allegiance to State, Nation

WS0601133693 Minsk BELINFORM in Russian 1214 GMT 4 Jan 93

[Text] On New Year's Eve, the entire personnel of the Belarusian Armed Forces and the State Security Committee took the oath of allegiance.

"It is an unusual day for Belarus: the harsh and severe words of the oath, which at the same time are filled with love for and loyalty to the motherland, will sound everywhere that servicemen are doing their service," said Supreme Council Chairman Stanislav Shushkevich who had come to take part in the ceremony.

Colonel General Pavel Kozlovskiy, defense minister of Belarus, was the first to read the oath. He was followed by officers and generals of all departments, units, and services of the Defense Ministry.

The solemn ceremony took place in all garrisons and units of the Armed Forces. It was attended by the leaders of Belarus, people's deputies, and representatives of social organizations.

"I serve the Republic of Belarus"—these words sounded for the first time under the vault of the State Security Committee on New Year's Eve. On 31 December, at 1100, a solemn ceremony of taking the oath of allegiance to the Belarusian people began there.

The festive ritual started with the report of KGB Chairman Eduard Shirkovskiy to head of state Stanislav Shushkevich about the readiness of the KGB generals and officers, guarding state interests, to take the military oath.

Assessing this day, S. Shushkevich said: "There have been similar examples in Belarusian history when many generations of Belarusian soldiers at different times swore their allegiance to one master or another, or some political party. Through this they committed themselves to protect interests which not always coincided with the people's interests. Everyone knows the results of such contradictions. It is only today that citizens of Belarus swear the oath of loyalty to their people. This is the unique meaning of this ceremony. Having taken the oath, you become not only professional defenders, but also active participants in the construction of sovereign Belarus and the creation of its modern history."

Eduard Shirkovskiy, head of the Belarusian State Security Committee, was the first to pronounce the oath. He was followed by the leading generals and officers.

Vyacheslav Kebich, chairman of the Belarusian Council of Ministers, was greeted by a special landing brigade on the occasion of the ceremony.

This choice was not accidental. Many years ago, Vyacheslav Kebich, student of the Belarusian Polytechnical Institute, was granted the rank of a junior lieutenant there.

On New Year's Eve, the prime minister took his oath of allegiance to the Belarusian people as a colonel in the reserves. He swore to faithfully and truly serve the interests of the Republic.

Vyacheslav Frantsevich came to the paratroopers not "with empty hands." In his speech, he promised the servicemen that the government would do everything possible in the coming year to solve their numerous problems. The servicemen discovered first hand that beginning January 1993, their pay will be doubled. Veterans of the Armed Forces will not be neglected. New laws on pensions will serve their interests. Servicemen who themselves wish to solve housing problems will be able to obtain favorable credits.

KGB Chairman Worried About Corruption, Espionage

LD0601002093 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 2100 GMT 5 Jan 93

[Report from Belarus by correspondent Marianna Maksimovskaya; from the "Novosti" newscast]

[Text] A political conflict has broken out in Latvia in connection with accusations of corruption being levelled at the Godmanis government. A statement in this connection was made on television by the deputy chairman of the Latvian Union of Industrialists.

It appears that similar topics are worrying officials in one more former Soviet republic, Belarus.

[Maksimovskaya] The struggle against corruption is continuing in Belarus. The republican Security Committee is working on some 200 cases based on materials connected with this problem, most of them concerning corruption in the highest echelons of power. The committee has already detected over 200 persons combining official state jobs with commercial activity. In the view of Shirkovskiy, chairman of the Belarus KGB, the export of strategic raw materials outside the Republic's borders and various deals with foreign partners served as the main source of easy profit for them.

However, the chief of the republic's State Security has a headache not only from the frauds of his corrupt fellow citizens. Sometime in the past Shirkovskiy stated that the Republic had virtually been flooded with hundreds of spies from the West and from neighboring East European countries and even from the former Soviet republics. According to him, foreign special services have set up an entire espionage network which regularly briefs interested foreigners on the internal political and economic situation in Belarus.

The KGB chairman is also worried by the—in his view—excessive openness in military matters. As a confirmation of his misgivings, Shirkovskiy also adduced a specific example of an information leak. The only thing that the Security Committee is so far unable to boast of is a single detained spy.

Defense Ministry Begins Arms Conversion Plan

LD0101093893 Moscow Radio Rossii Network in Russian 0400 GMT 1 Jan 93

[Excerpts] On New Year's Eve, earlier than planned, the Belarusian Defense Ministry has started scrapping combat equipment. Our Minsk correspondent Leonid Sviridov reports.

[Sviridov] At the tank repair works in the Belarusian town of Borisov two mechanized infantry combat vehicles were cut up into metal at the end of December in the presence of an international inspection group and numerous observers and representatives of the press. [passage omitted]

In 40 months, 1,970 vehicles, mainly obsolete models, will be destroyed according to a three-stage plan. On average the rate will be 24 mechanized infantry combat vehicles per month. The whole of this process is being carried out in accordance with the Treaty on Armed Forces Reductions in Europe: under it, 390 of every 1,000 vehicles will be used in the national economy. [passage omitted]

At a news conference which took place in Borisov, Belarusian Defense Minister Pavel Kozlovskiy stated: The agreement signed in Paris by 29 countries in 1990 has come into effect in Belarusia. This process has already started in Russia, Poland, Germany, and other countries. Mountains of weapons have been accumulated in Europe. It has become dangerous to keep them. The scrap metal obtained will be sold and the vehicle's interior will be used for equipping the next ones. A program for the utilization of ammunition has already been drawn up.

Kebich Comments on Prospects of Market Economy

WS0501133693 Minsk BELINFORM in Russian 1236 GMT 31 Dec 92

["It Will Take 10 Years To Create the Market"—BELINFORM headline]

[Text] "The final formation of structures of the market economy with social priorities in Belarus will be completed in 10 years. Haste is not typical of our nation, and we are not going to speed up the developments," stated Vyacheslav Kebich, chairman of the Belarusian Council of Ministers, in his New Year's interview to the newspaper BELARUSSKIY RYNOK. For this, privatization and denationalization must be implemented on a solid legal and scientific basis.

Touching on the results of the past year, the head of the government noted that it has been extremely difficult. He had to undertake the thankless mission of patching numerous gaps resulting from the severe crisis that has overcome all the CIS republics without exception. The Belarusian Government tried to reestablish the broken economic ties and to establish new ones, to introduce at least elementary order in monetary-financial relations, and to extinguish other seats of economic fires by concluding bilateral and multilateral agreements within the CIS framework. The prime minister considers the results of the Belarusian industry in November a good symptom when the fall in production was halted in most industries and the output of some of them even increased in comparison with November 1991.

V. Kebich noted that over the past year, the leading mechanism of a market was launched—the majority of commodity and service prices were liberalized—

although free prices is the best present neither for the consumer nor for the producer when there is a shortage of goods. But the market economy has its own harsh and even severe laws. Small businesses began to develop well with the government's support.

"In the coming year," said the head of the Belarusian Government, "we plan to essentially change the motivation for work and to achieve great social changes through this process. First of all, to reform ownership relations through the privatization and denationalization of the state sector."

Diplomatic Relations Established With Lithuania

WS0501133793 Minsk BELINFORM in Russian 1236 GMT 31 Dec 92

[Text] Today, Belarusian Foreign Minister Petr Kravchanko and Lithuanian Foreign Minister Povilas Gilys signed an agreement establishing diplomatic relations between the Republic of Belarus and the Republic of Lithuania.

"This event could have happened a little earlier because more than a year has passed since our countries recognized each other's state sovereignty," noted P. Gilys at a press conference which he and his Belarusian counterpart gave immediately after the signing of the agreement. "This happened not because of any serious circumstances, but grew out of the process of the creation of our states. Belarus, like ourselves, experiences difficulties related with this. We have no clashes of interests in any sphere which could lead to tension in our relations. The issues we are solving now are working problems. They concern, first of all, the issue of establishing state borders. Borders are mostly transparent in the modern world. Proceeding from the mutual interest in developing and expanding economic and cultural cooperation with Belarus, Lithuania is actually interested in the 'transparence' of the Lithuanian- Belarusian border."

"Relations between the Belarusian and the Lithuanian nations, who have a common history and live in the same geopolitical area, can serve as an example of mutual understanding, neighborly coexistence, and full-blooded interaction to other close neighbors," noted Petr Kravchanko.

He expressed his satisfaction with the talks which had worked out a program of mutual actions by the two Foreign Ministries for the future. These are the preparations for the Belarusian prime minister's visit to Lithuania, the exchange of diplomatic missions on the embassy level, and the elaboration of the package of agreements on political and economic cooperation, on the coordination of border and customs issues, on retirement security, and on social insurance.

Customs Control Posts Set Up on Baltic Border

LD0601095593 Moscow Radio Rossii Network in Russian 0800 GMT 6 Jan 93

[Text] Belarus has introduced full customs control on the border with the Baltic states. (Petr Krechko), first deputy chairman of the Belarussian Customs Committee, has warned that any attempts to evade checks will lead to substantial fines and also confiscation of goods. He believes that the cost of building the new posts and increasing the number of customs personnel will be paid back with interest from customs levies and cuts in illegal exports of Belarussian goods and products, the RIKA agency reports.

Senior Officers Promoted to Major General

WS0501133893 Minsk BELINFORM in Russian 1236 GMT 31 Dec 92

[Text] On New Year's Eve, a group of senior officers was promoted to the next higher military rank of major general at the decision of the Belarusian Council of Ministers.

Among them are Aleksandr Khrystoforov, chief of the rear troops at the Belarusian Defense Ministry; Aleksandr Kulesh, deputy chairman of the Belarusian KGB; Valeriy Kez, chief of the Military Counterintelligence Department; and Vyacheslav Kozlov, chief of the rear Border Troops.

Vyacheslav Kebich congratulated the new generals and expressed the hope that they would apply all their knowledge and experience to strengthening the foundations of Belarus' sovereignty and to defending people's interests.

Cleanup of Radioactive Site To Cost R100 Million

LD0501062793 Moscow Radio Rossii Network in Russian 0500 GMT 5 Jan 93

[Text] According to information published in the BRESTSKIY KURYER newspaper, 100 million rubles [R] will be required, without taking inflation into account, to transport and bury the radioactive facility known as Facility 802. The Russian Atomic Energy Ministry has already allocated R50 million to the (?Belarusian) Ministry of Energy; the Brest Town Executive Committee has earmarked R1,250,000. The Brest Oblast will also allocate funds. What is known in Brest as Facility 802 is a pass where secret USSR Defense Ministry deliveries used to be unloaded long ago: mainly uranium ore that was shipped from European countries to areas beyond the Ural ridge. [as heard] One year ago, all the soil of Facility 802, that is 16,000 cubic meters of earth, was due to be taken to the town of Zheltye Vody of the Dnepropetrovsk Oblast. However, borders are closed now, and Ukraine has refused to receive this dangerous radioactive cargo. The question is now: Where will the radioactive Facility 802 be eventually transported?

Moldova

Government Recognizes Czech, Slovak Republics

LD0501190893 Moscow ITAR-TASS in English 1659 GMT 5 Jan 93

[By MOLDOVA-PRESS for TASS]

[Text] Chisinau January 5 TASS—President Mircea Snegur of Moldova signed decrees on the recognition of the Republics of Slovakia and Czechia [Czech Republic] as independent sovereign states. The Moldovan Foreign Ministry has been commissioned to carry out the necessary procedures for the establishment of diplomatic relations with these states.

Dniester Officials Blamed for Delaying Talks

OW0501213893 Moscow INTERFAX in English 1809 GMT 5 Jan 93

[From the "Presidential Bulletin" feature prepared by Andrey Pershin, Andrey Petrovskiy, and Vladimir Shishlin and edited by Boris Grishchenko—following item transmitted via KYODO]

[Text] An INTERFAX correspondent has learnt that the leadership of Moldova has sent a telegram to the leader of Trans-Dniester, Igor Smirnov, which says that in spite of agreement to beginning joint work on preparing a draft mutually acceptable variant for the normalization of the situation in Trans-Dniester region, the commission representing organs of the local administration of this region, unilaterally and without basis, from the point of view of the leadership of the republic, changed the session to a later date. Unfortunately this is not the first time this is happening, as stated in the message. The leadership of Moldova suggests to the leaders of Trans-Dniester to adopt the necessary measures to provide the commission a normal working condition.

In the opinion of the state adviser to the president of Moldova, Nikolae Kirtoake, dragging out the time for the beginning of the work of the experts of both sides could have a negative effect on the situation in the security zone and is causing definite bewilderment and caution in the population of the republic. The commission founded over a month ago, N. Kirtoake believes, could have started work long ago, since the concrete starting point of the negotiations had already been thought out and worked out, and also the key issue—determining the special status of Trans-Dniester region.

N. Kirtoake thinks that there is the possibility to, within the optimum time, prepare a variant of this special status and agreement including guarantees which the leadership of Moldova carries upon itself. In the opinion of the state adviser, in the first stage it is necessary to have a political dialogue between the leadership of Moldova and representatives of the organs of the local administration of Tiraspol. Then will follow the complex resolution of issues with the inclusion of the four power commission composed of representatives of the Ministry of Foreign affairs of Ukraine, Romania, Moldova and Russia.

The state adviser announced the readiness of the leadership of Moldova to start dialogue even today, and regretted that under various pretences it has again been shifted "for a couple of days" at the request of Tiraspol.

Decree Plans To Build Hard Currency Reserves

LD0501205193 Moscow ITAR-TASS in English 2025 GMT 5 Jan 93

[By MOLDOVA-PRESS for TASS]

[Text] Chisinau January 5 TASS—Under a Moldovan president decree, since January 1, 1993, all economic subjects located or registered on territory of the republic regardless the form of property are charged with selling 35 per cent of hard currency proceeds to the Moldovan National Bank its the exchange rate in order to form the republican hard currency reserve.

Sums of hard currency dividends or revenues received from investments in shares, deposits or holdings are not liable for obligatory sales if they are received from investment of proper or loaned means. Same goes to hard currency means of public, charity and religious organizations transferred to their accounts as donation and used only for charity purposes.

The punishment for violation of requirements on obligatory sales of hard currency is rather severe: If currency proceeds are not transferred within ninety days since the date of customs declaration, the authorized bank shall fine the economic subject- exporter 100 per cent of export proceeds. However, if currency payments are done next months, the authorized bank will return 75 per cent of the fine.

'Business-Like' Workers Overcome Economic Slump

PM0501145593 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 1800 GMT 2 Jan 93

[Report from Moldova by Mikhail Sokirke and Vladimir Mishchenko; from the "Novosti" newscast]

[Text] [Sokirke] The breakdown in economic ties among the former republics has had the most undesirable results. For example, industrial production has fallen by 40 percent compared with 1989. Only you and I can tell whether this is a little or a lot because no one knows better than we the price of, say, a woman's coat or a man's hat. Nevertheless, how is it that even under the state enterprise system there were enterprising people who survived, supplied their own needs, and are supplying others with their own output now? Like, for example, the Chisinau Alfa plant, which supplies TV sets to almost one half of the CIS countries or the Chisinau Agromashina association, which supplies output to

Russia, Belarus, and Ukraine. Countries such as Bulgaria, Hungary, and Egypt are no exception either. The answer is simple: These business-like people were less interested in the politicians' debates and more interested in getting down to real work.

Citizens Continue To Keep Firearms, Ammunition

AU0501165693 Bucharest ROMPRES in English 1603 GMT 5 Jan 93

[Text] Chisinau ROMPRES 5/1/1993—Despite expiry of all deadlines set by the presidential ordinance on the free surrender of fire arms and ammunitions misappropriated from the conflict area in the eastern districts of the Republic of Moldova, some citizens continue to hold firearms and ammunition, MOLDOVA PRES writes, and quotes the recent case of a man who returned from combat in the Dniester districts last summer with a Kalashnikov submachine gun.

Patriarch Justifies Reactivating Bessarabian Church

AU0501181093 Bucharest Radio Romania Network in Romanian 1400 GMT 5 Jan 93

[Gabriel Ionescu report from Chisinau]

[Text] A letter was released in Chisinau today that was sent by His Beatitude Teoctist, patriarch of the Romanian Orthodox Church, to Mr. Mircea Snegur, president of the Republic of Moldova, in connection with misunderstandings surrounding the reactivation of Bessarabia's historic Metropolitan Seat, which—the message points out—have led to startling remarks from Moldova's leadership as well as unjustified charges against the Romanian Holy Synod and Patriarchy, as could be seen from Mr. Mircea Snegur's speech before Moldova's Parliament on 24 December last year. To elucidate the matter, the Patriarch of the Romanian Orthodox Church made a few clarifications.

The letter emphasizes that the basic canonical principle guiding the leadership of the Orthodox Church, namely to organize itself in national churches—since the existence of ethnic groups and nations is a given fact—has perpetuated itself throughout history, despite Roman, Byzantine, and other imperial trends of hegemony, and is still valid today in all autocephalous churches, such as the Romanian, Russian, Serbian, Bulgarian, Georgian, and so forth. Therefore, the claims of the Orthodox patriarchy of a given nation or people to rule over the Orthodox faithful of another nation, which has its own patriarchy, are noncanonical and unjust and are motivated by secular and political reasons rather than by religious and pastoral ones.

The canonical confirmation and the reactivation blessing of Bessarabia's Metropolitan Church were given by the Holy Synod of the Romanian Orthodox Church at the request of the Orthodox delegation of the Republic of Moldova. From a hierarchical canonical viewpoint, it is necessary to obtain the Republic of Moldova Government's recognition of the statute of the Metropolitan Church, which has been submitted for its approval a long time ago. The Diocese of Chisinau, which is under the jurisdiction of the Russian Patriarchy, enjoys such a canonical confirmation and blessing, which is necessary for any canonical Orthodox Church not recognized at the world level as autocephalous.

We believe, the letter sent by His Beatitude Teoctist reads, that the Romanian Patriarchy's act does not affect the territorial integrity of the Republic of Moldova in the least or its state independence, particularly since the Romanian Patriarchy was the first one to call on all sister Orthodox Churches in the world, other churches, and the international Christian organizations to intercede with the governments of the world in favor of recognizing the independence of the Republic of Moldova. On the other hand, the letter recently sent to His Holiness Patriarch Aleksey II of Russia points out that the patriarchal and synodal act of reactivating Bessarabia's Metropolitan Seat does not exclude the possibility that Moscow's Patriarchy should maintain its canonical jurisdiction over the Russian Orthodox faithful in the Republic of Moldova, while the Romanian Orthodox Church is further open to dialogue and fraternal ties with the Russian Patriarchy.

In conclusion, after expressing the hope that these clarifications will contribute to Moldova's leadership changing its current image of the Romanian Patriarchy, His Beatitude Teoctist asks President Mircea Snegur to do his best to put an end to the slanders and persecution of the clerics and laymen who want to reestablish communion in the nation's Church and obtain the legal framework for exercising their basic right to freedom of conscience and faith.

Kyrgyzstan

Foreign Minister Assesses 'Constructive' Tashkent Summit

OW0501223393 Moscow INTERFAX in English 1708 GMT 5 Jan 93

[Report by diplomatic correspondents Andrey Borodin, Dmitriy Voskoboynikov, Igor Porshnev, and others from the "Diplomatic Panorama" feature—following item transmitted via KYODO]

[Text] Ednan Karabayev, the Kyrgyz Foreign Minister, called Monday's [4 January] meeting of the Central Asian heads of state "exceptionally constructive".

In an interview with the Bishkek correspondent of Diplomatic Panorama, he stated that in Tashkent a "system for bilateral and multilateral treaties" was worked out, to which Uzbekistan, Kazakhstan, Kyrgyzistan, Turkmenistan, and Tajikistan all agreed.

According to Mr. Karabayev, the current rush for economic integration does not rule out in the near future the possibility for a political union among the Central Asian nations. Above all, the minister believes a super-national system for the regulation of economics, finance, investment, pricing, and structural issues must be created for the entire area.

Agrarian Reform in Crisis; Farms Operating at Loss

LD0501174093 Bishkek Kyrgyz Radio First Program Network in English 0000 GMT 5 Jan 93

[Text] The agrarian reform in Kyrgyzstan is experiencing an adverse crisis. The number of peasants' farms has not increased over the last months, but the collective and soviet [as heard] farms have completely [word indistinct] away. All 150 farms have very low profitableness and most of them are in great loss because of their uneffective managing. Their debt to the state is 200 million rubles. They have not other possibilities to be out of debt [as heard]. The only way out is to close the unprofitable farms and to give the land and property to the direct producers, but the parliament of the republic is strongly against the complete privatization in agriculture.

Human Rights Activists Forced To Leave Uzbekistan

LD0501203493 Moscow ITAR-TASS in English 1954 GMT 5 Jan 93

[By KYRGYZKABAR correspondent Albert Bogdanov for TASS]

[Text] Bishkek January 5 TASS—"We were given only 30 minutes to leave Uzbekistan," head of the Kyrgyz Human Rights Movement Tursunbek Akunov told the VECHERNIY BISHKEK newspaper today.

Akunov went to the neighbouring republic with a public delegation to find out the consequences of Uzbek police capture of Birlik Movement leader Abdumannob Pulatov in the Kyrgyz capital.

"We were not let out of the Interior Ministry building, where the delegation was brought, and our protests were not accepted. Then the police-accompanied delegation was taken to the bus station, handed in tickets and sent outside Uzbekistan," he said.

However, before the deportation, the Kyrgyzians managed to pass over an appeal to Uzbek President Islam Karimov on illegal actions of the Uzbek police in the neighbouring sovereign state. They were not told where Pulatov is kept, what is the fate of money of the Human Rights and Nations Destiny Conference kept by the conference executive director.

Neither relatives nor a lawyer are admitted to Pulatov, said VECHERNIY BISHKEK.

Tajikistan

Government Forces Control 'Nearly All' Territory

LD0501142093 Moscow Mayak Radio Network in Russian 1300 GMT 5 Jan 93

[Text] Life is gradually returning to normal in Tajikistan. By today government forces will have taken control of nearly all of the republic's territory. I remind you this is the first day following the expiration of the deadline for the voluntary surrender of firearms and ammunition. The organs instructed to carry out this decree of the presidium of the republican Supreme Soviet are now permitted to resort to the use of force in the disarmament of anti- government groups.

Armored Vehicles, Other Weapons Surrendered

OW0501125793 Moscow INTERFAX in English 1212 GMT 5 Jan 93

[Following item transmitted via KYODO]

[Text] Since last November when the head of the Tajik parliament issued a decree on the surrender of arms, 17 armored vehicles, 1,589 guns, over 20,000 cartridges and over a ton of explosives have been surrendered. This was reported to Interfax by the head of the press center of the Tajik Interior Ministry, Muhammajon Nazriev.

Nazriev said as the deadline for the surrender expired on Monday, law enforcement bodies will be more active in confiscating illegally possessed arms. He could not name an approximate figure of weapons in illegal possession. Unofficial sources in Dushanbe claim there are 30,000 illegally possessed guns.

The head of the press center stressed that law enforcement bodies will no longer be lenient on illegal armed groups. They have lists of persons illegally possessing arms, and these weapons will be confiscated.

Human Rights Committee Says 100,000 Killed in War

PM0501120993 Moscow PRAVDA in Russian 5 Jan 93 p 1

["Own information" report under the "Brief and Clear" rubric: "100,000 Dead in Civil War"]

[Text] The audience was shocked and staggered by an admission by Denik Bagdasaryan, chairman of the independent, nonpolitical Committee on Human Rights in Tajikistan, at a conference organized by the Islamic Cultural Center in Moscow and the "Citizen" Association. According to the committee's data, the civil war unleashed by Islamic fundamentalists has claimed 100,000 lives.

Russian Troops' Murder Blamed on 'Antigovernment Forces'

LD0601115193 Moscow ITAR-TASS in English 0952 GMT 6 Jan 93

[By ITAR-TASS correspondent Boris Sitnikov]

[Text] United Nations January 6 TASS—Tajikistan lays the blame for the murder of three Russian servicemen on anti-government forces, says a statement issued by the Government of the Republic of Tajikistan.

On December 13 the three servicemen in line of duty were forcibly captured and brutally murdered, according to the statement circulated at the U.N. headquarters on Tuesday.

They were servicemen of the Russian Federation Armed Forces in Tajikistan: Lieutenant Colonel Vasiliy Seredyuk, Captain Abdukhakim Tuliyev, and Private Andrey Kurapov.

It is clear already now that the murder was the work of those anti-government forces which make desperate efforts to destabilise the socio-political situation in the republic.

The grief and tears of many thousands of civilians in the republic are on the conscience of those dark forces which sow ethnic discord, play on the religious feelings of people and try to stir up distrust of the Russian Federation Armed Forces on the territory of the Republic of Tajikistan.

The statement emphasises that Russian Armed Forces act as the guarantor of the socio-political stabilisation in the republic. The Government of Tajikistan stated that all measures would be taken to ensure the security and defend the honour and dignity of the servicemen of the Russian Federation Armed Forces.

Turkmenistan

Niyazov Interviewed on Overall Status of CIS

OW0501210893 Moscow INTERFAX in English 1811 GMT 5 Jan 93

["Exclusive interview" with President Saparmurad Niyazov by an unidentified INTERFAX correspondent in Tashkent on 3 January; from the "Presidential Bulletin" feature prepared by Andrey Pershin, Andrey Petrovskiy, and Vladimir Shishlin and edited by Boris Grishchenko—following item transmitted via KYODO]

[Text] On the eve of the meeting held in Tashkent on Monday [4 January] by leaders of five states of Central Asia, an "INTERFAX" correspondent had an exclusive interview with the president of Turkmenistan, Saparmurad Niyazov.

Question: Saparmurad Atayevich, in recent times, especially after changing the date of the Minsk meeting of the CIS, reproaches are sounding louder in the addresses of those states which have refused to participate in the formation of different coordinating structures of the CIS. What is your opinion on this issue?

Niyazov: I would like to immediately draw attention to the following. Turkmenistan did not rock the Soviet boat. On the contrary we were among those who with reasonable compromises, tried to keep it afloat. However these efforts turned out not to have been enough. Expressing it figuratively, we found ourselves overboard in a raging ocean. At the cost of great effort of the will of the people we succeeded in finding our own life-buoy. We slowly but steadily swam towards land in order to feel solid ground under our feet. Then suddenly from the raging ocean shouts were reaching us: "Come back! Let us restore the ship". You will agree that this is not a constructive suggestion.

Mutual benefit and mutual support are as necessary as a self- volitional resolute mood in order to get out of a difficult situation. But this is a different matter all together.

Question: What model of cooperation do you see between states of the former USSR?

Niyazov: The outgoing year showed and proved the correctness of the bearing of bilateral relations. Those positive improvements taking place at the moment in the socioeconomic sphere are results of bilateral contacts, horizontal relations. Take for instance our relations with Russia, Ukraine, Moldova, Uzbekistan, Armenia, Tajikistan, Azerbaijan, Georgia and all the others—they are developing on the basis of direct bilateral consultations, agreements and treaties. At the current historical stage, all states of the former USSR need stability, need to strengthen their sovereignty, to consolidate peoples in the name of achieving the strategic goal—creation of modern democratic, socially and economically viable states. I think it is simply inexpedient at the moment to put to the test our yet weak sovereignty, and this is how I view the attempt to establish coordinating structures of the CIS.

Question: Do you think that the CIS has no chance of survival?

Niyazov: No, we don't think so. It has been repeatedly emphasized that the mechanism of the CIS may work on

consultative principles. Without any sort of hard structures the Commonwealth can play a relational humanitarian role. It could conduct exchange of experiences, including bilateral ones. But the CIS must be a point placed on the same level as the member-states. There is no need to complicate the model of interrelations between states. Remember that the shortest distance between two points is a straight line.

It is necessary to reject the generation of the energy of words, it is necessary to act. No matter how much we talk about a unified ruble zone, there cannot be such a zone. And this is not because of someone's evil will. This is an objective process. What kind of unified zone can we talk about when almost in every village the ruble has a different value?

Turkmenistan, having become a really independent state, a full-fledged member of the United Nations, intends to use this historical chance for the interests of its own people. In politics we have no double standards. We are frank and open to all. And we have the right to count on a correct understanding of our positions and views.

Uzbekistan

Karimov Stresses Commitment to Independence

PM0501155593 Moscow IZVESTIYA in Russian 5 Jan 93 Morning Edition p 2

[Shakhabutdin Zaynutdinov report: "I. Karimov Explains Why Uzbekistan Did Not Participate in Interparliamentary Assembly"]

[Text] Tashkent—No doubt the reason Uzbekistan, which is part of the CIS, did not take part in the Interparliamentary Assembly of Commonwealth countries held in St. Petersburg, came as a surprise to many.

President Islam Karimov gave an unequivocal response to this at an official New Year's Eve reception in Tashkent in honor of the diplomatic corps accredited to the Republic. He stressed that there is no way back to the past. It is wrong to deceive the people by enticing them with fine talk of independence and sovereignty, while at the same time, fearing the inevitable turmoils and difficulties on the way, making advance preparations for ways of retreating to the past under various specious and seductive pretexts. And this policy is being proposed by those who only yesterday advocated and insistently introduced into everyday life the principles of sovereignty and "shock therapy."

According to Uzbekistan's leader, he would not be surprised if on this road they were to join with those extreme conservative circles that never accepted either the sovereignty of independent states nor the destruction of that communist empire which reared and cared for them. Whatever may be said about the CIS, it is a necessity—it is the mechanism which is acceptable to all independent states, affording a transfer to long-term bilateral relations while preserving civilized relations and links between countries.

For us one thing is clear, Karimov said: Uzbekistan's independence, and the formation of sovereign democratic states and of an open and socially fair society based on market relations, is a path from which we will not deviate. There is just one safeguard [perspektiva] against all efforts to return us to the past and lead us away from the path of independence—entry into the world community, the comprehensive development of mutually beneficial political, economic, and other links with all states wishing to be our equal partner.

Armenia

Government Supports Yeltsin-Bush Statement on Karabakh

LD0501215493 Moscow ITAR-TASS in English 2059 GMT 5 Jan 93

[By ITAR-TASS correspondent Tigran Liloyan]

[Text] Yerevan January 5 TASS—The Armenian leadership today expressed "full support" to the joint statement of Russian President Boris Yeltsin and U.S. President George Bush on Nagorno-Karabakh.

This document once again confirms the acuteness of immediate settlement of the Karabakh conflict, threatening to overgrow into a large-scale regional war, says a statement of the Armenian presidential press secretary circulated here tonight.

The document recalls the Armenian leadership and the Karabakh authorities have repeatedly said and proved by their deeds they see no alternative to a peaceful solution of the conflict within the CSCE framework.

In Yerevan's opinion, despite all constructive initiatives of Russia and the United States within the framework of the CSCE Minsk group on Nagorno-Karabakh, "the negotiations process has appeared to be fruitless and under the threat of breaking due to the unwillingness of the Azeri leadership to make compromises and its remaining hopes for the military solution of the Karabakh conflict."

The Armenian side thinks the Azeri authorities "are staking on heavy blockade wintertime in Nagorno-Karabakh and Armenia, forgetting that during the December offensive on the Armenian borders and in Nagorno-Karabakh, the Azeri Army suffered great losses in personnel and materiel."

The Armenian leadership hopes the statement of the Russian and U.S. presidents can give a fresh impetus to boost constructive processes in settlement of the conflict within the CSCE framework.

The statement stressed the Armenian readiness for cease-fire and beginning of a peace process.

Ter-Petrosyan, Turkmen President Discuss Gas Supply

NC0501204893 Yerevan SNARK in English 1541 GMT 5 Jan 93

[Text] Yerevan, January 5 (SNARK)—Today the Armenian President Levon Ter-Petrosyan has had a phone conversation with Niyazov, the Turkmenistan president. According to the Armenian President Press-Service, there has been discussed the problem of the Turkmenian gas supply to Armenia which deals without the gas for about a month.

President Congratulates Czech, Slovak Republics

NC0501202093 Yerevan Armenia's Radio First Program Network in Armenian 1830 GMT 5 Jan 93

[Text] President Levon Ter-Petrosyan sent messages today to Vaclav Klaus, prime minister and acting president of the Czech Republic, and Vladimir Meciar, prime minister and acting president of the Slovak Republic.

The messages note that Armenia recognizes the independence of these two countries and is ready to establish diplomatic relations with them.

The Armenian president also congratulated the leaders of the two countries on the occasion of the independence of the Czech and Slovak republics.

Azerbaijan

President's Secretary on U.S., Russian Comments on Clashes

NC0501165193 Baku TURAN in English 1040 GMT 5 Jan 93

[Text] Baku, 5 Jan (TURAN)—The Press-Secretary of the Azeri President Arif Aliyev has estimated the announcement of the presidents of the USA and Russia in connection with the conflict between Armenia and Azerbaijan as announcement with the accuratest statement of a question and with appeal to practical activities. [sentence as received]

The press-secretary has also announced that the main stresses of the announcement coincide with the position of the Azeri leadership, which intends to advance with official document in response for the announcement of both presidents.

At the same time, the member of the Azeri working group of the Rome preparatory meeting of the CSCE on the Nagorno-Karabakh Tofik Zulfugarov said to the TURAN agency that the Ministry of Foreign Affairs of the republic proceeds the studying of variants of the peaceful settlement of the conflict, which is intended to be introduced on the regular conference of the Rome meeting.

"Azerbaijan stands on the position of the settlement of the conflict within the bounds of the CSCE and will greet all the initiatives, which are able to approach the end of the Armenian-Azerbaijan war," said Zulfugarov.

Elchibey: 'Destructive Forces' Cause Problems

OW0501212593 Moscow INTERFAX in English 1808 GMT 5 Jan 93

[From the "Presidential Bulletin" feature prepared by Andrey Pershin, Andrey Petrovskiy, and Vladimir Shishlin and edited by Boris Grishchenko—following item transmitted via KYODO]

[Text] Speaking on national radio on Monday [4 January], President Abulfaz Elchibey said that Azerbaijan

inherited many problems from the old imperial regime. At the same time he conceded that the aggravation of some economic difficulties, such as those in transport and trade, was caused by the activity of "destructive forces" inside the country.

The Azeri leadership, said A. Elchibey, intends to continue to pay great attention to its personnel policy. "We'll adhere to a radical course in this area," he said. About 40% of leading executives in local governments will be replaced in the near future, he said. This will be a result of natural selection, the president said. Those who failed in their work will be replaced by new executives. "To destroy the roots of corruption among leading executives" will be the pivot of his personnel policy, he said.

The president also drew attention to the system of tests practised during entrance exams in the schools of higher learning, and described it as "revolutionary." According to him, this system rules out bribery.

With reference to the foreign policy the president said that it should focus on building relations with the CIS countries on bilateral basis.

He attaches great importance to the parliamentary elections that will be held this year, A. Elchibey pointed out. The forming of a new, democratically-elected, legislature will "radically alter the nation's psychology, set it free, and become a milestone on the road of building an independent and democratic state."

With reference to the conflict with Armenia, President Elchibey stressed that the world community should determine who the aggressor is. Such an assessment might play the key role in the efforts to reach a settlement, he noted.

Defense Ministry Communique Updates Fighting

NC0501201393 Baku Radio Baku Network in Azeri 1700 GMT 5 Jan 93

[Text] The Azerbaijani Defense Ministry's Analytical Information Center issued the following communique today:

Cold weather and heavy snowfall have created a difficult situation for our fighters. The movement of heavy military vehicles and the work of the Air Force units have become difficult. Nevertheless, the enemy's effort to launch attacks against Kazakhskiy, Akstafa, Tauzskiy, and Kedabekskiy Rayons to gain additional territory has been foiled.

Armed Armenian units attacked and entered Ashagy Veysalli in Fizulinskiy Rayon with the support of 11 tanks yesterday. However, Azerbaijani Army units stopped their onslaught, liberated the town, and forced the enemy to retreat.

The Armenian occupationists succeeded in significantly widening the corridor in Lachinskiy Rayon in October 1992. They used the corridor to transport reinforcements, military vehicles, and equipment to Karabakh. This situation created many difficulties for our fighters. Movement in the corridor has become very difficult due to the heavy snowfall, however. The Armenians have therefore recently attempted to use the Goris-(Shushaberg)-[place name indistinct]-Kyrmyzy Bazar highway, which is further to the south. Our fighters captured the heights close to that highway and stopped the movement of the enemy units today. Consequently, the Armenians have been forced to rely on their aircraft to maintain their links with Karabakh. It will be recalled that our air defense units destroyed seven enemy helicopters and a military aircraft last month. Our fighters are determined to continue to defend Azerbaijan's airspace effectively.

Armed Armenian units tried to attack Chully Kyshlakh in Zangelanskiy Rayon at 0800 today. Our fighters completely dispersed the main units of the enemy by 1500. The Armenians were forced to retreat to their previous positions after leaving 12 dead bodies on the battlefield.

The Azerbaijani Defense Ministry has disclosed the following:

The bloody war in Azerbaijan has continued for five years now. The occupation of Shusha marked the completion of the eviction of the Azerbaijani people from the mountainous area in Karabakh and a part of Azerbaijan's territory was [word indistinct] linked with Armenia. It is common knowledge that peace talks were held with the participation of various [word indistinct] before Armenia occupied new areas in Azerbaijan. Similar talks were held just before the tragic situation in Khodzhaly and the occupation of Shusha.

The experience we have gained from the war tells us not to trust what the enemy says about the resumption of peace talks. We should expect new attacks by the Armenian occupationists after each and every call that is made for talks on a cease-fire agreement—attacks that will claim new victims. Armenian Defense Minister Vazgen Manoukyan's claim in the Armenian Parliament on 3 January that Azerbaijan is reluctant to hold talks and the threat he made that Azerbaijan will be forced to call for talks between the two republics indicate that the Armenian Government's policy is based on the concept of the use of force.

By occupying Shushinskiy and Lachinskiy Rayons, carrying out a horrible act of massacre, and maintaining its aggressive activities along the entire border, the Armenians believe that they will be able to force Azerbaijan to accept their extremely harsh conditions. However, they do not realize that no one can be forced to hold peace talks. Political decisions must be adopted before an agreement is reached. Azerbaijan has not moved out of its border in its struggle to liberate its territory from the neighboring republic's armed units. Nor is Azerbaijan fighting against the peaceful people in Karabakh. We guarantee that we will respect the human and minority rights of the Armenian people, just as we respect the

rights of all the national minorities in Azerbaijan. However, the neighboring republic's armed units must completely withdraw from Azerbaijan's territory.

Azerbaijan has become a member of the UN and the CSCE. Its existing borders have been recognized. It supports finding a political solution to the dispute within the framework of international norms on the inviolability of national borders, which has been accepted by the CSCE members.

Assault on Fizuli Repelled

OW0501185893 Moscow INTERFAX in English 1801 GMT 5 Jan 93

[Following item transmitted via KYODO]

[Text] The Azeri Defense Ministry announced on Tuesday [5 January] that Azeri armed formations checked the Armenian attack on Fizuli (Azerbaijan), launched on Monday. During fierce fighting on the approaches to Fizuli, the enemy was stopped and thrown back, says the Azeri Defense Ministry. According to its sources, the Armenians lost 3 armored vehicles and 2 artillery pieces.

During the night Armenian formations, backed by tanks, attacked the village of Agdam in the Tauz Region. The attack was rebuffed by the local self-defense forces.

According to Armenian sources in Stepanakert, Armenian forces have liberated the village of Gevorgavan in Karabakh's Martuni Region, earlier occupied by Azeris. The local self-defense forces put two tanks out of action and seized them, and destroyed one artillery system. In preliminary estimates, the Azeris lost 100 men. The self-defense forces lost 5 men; several defenders were wounded.

Important Positions Reportedly Seized

LD0601075993 Moscow ITAR-TASS in English 0744 GMT 6 Jan 93

[By AZERTAC correspondent Sabir Mirzoyev for TASS]

[Text] Baku January 6 TASS—Fighting in the Karabakh south began on Monday morning and went all day long today.

Azeri military units have seized strategically important positions in the Fizuli region near the Derdlyar settlement, where fierce fighting was on by 17:30, according to the data of the republican Defence Ministry's information and analytical center.

The enemy lost over 20 soldiers and officers, as well as armored vehicles in the area by that hour, the Defence Ministry said.

Situation also remains tense in the north of the Azeri-Armenian border. Today Armenian Armed Forces put under artillery and rocket launcher fire and attacked positions of the Azeri Army stationed on territory of the Akstafinsky region of the republic. Fighting in the area goes on.

'Text' of President's State of Emergency Decree

NC0501220093 Baku Radio Baku Network in Azeri 1700 GMT 5 Jan 93

["Text" of President Abulfaz Elchibey's decree on imposition of a state of emergency in Fizulinskiy Rayon on 4 January]

[Text] In accordance with Article 124, Paragraph 16, of the republic's Constitution, I have decided the following:

1. Considering the serious threat to the citizens as a result of mass agitation, acts of violence, and activities of illegal groups in Fizulinskiy Rayon, a state of emergency is declared in that rayon for a period of one month.

2. The Azerbaijani Ministry of Internal Affairs and Ministry of National Security is assigned to implement the state of emergency regime. The Azerbaijani Ministry of Defense is instructed to make its forces and vehicles available for the implementation of this decree.

3. Special regulations are in effect for travel to and from the rayon and the movement of vehicles without permits on the roads is restricted. Measures are being taken to strengthen law and order. Measures are also being taken to strengthen the security of vital economic installations and to facilitate their functions. Rallies, meetings, marches, demonstrations, and similar activities are banned. A curfew is imposed from 2200 to 0500. Measures are being taken to check identity certificates in areas where citizens congregate. Citizens, including their property and vehicles, are being searched when information is received to the effect that they may be carrying arms. Arrangements are being made to enable the military employees of the Ministry of Internal Affairs, Ministry of National Security, and Ministry of Defense to carry out joint patrol duties. Illegal arms in the possession of citizens are being impounded. Special measures are being taken to distribute provisions and essential commodities. The [word indistinct] people are being mobilized to help the officials maintain the state of emergency regime.

4. The minister of internal affairs, minister of national security, and minister of defense are instructed to establish a headquarters for joint operations in Fizulinskiy Rayon. The minister of internal affairs will appoint the rayon's commandant. The commandant is held responsible for the realization of this decree and the implementation of the measures established by the republic's law in connection with the state of emergency regime.

5. The Azerbaijani Parliament is asked to approve this decree and inform the UN secretary general of the reasons for the declaration of a state of emergency regime in Azerbaijan's Fizulinskiy Rayon.

6. This decree is put into effect as of 0000 on 6 January.

[Signed] Abulfaz Elchibey, president of Azerbaijan.

Government Accused of Torturing Union Leaders

OW0501201893 Moscow INTERFAX in English 1940 GMT 5 Jan 93

[Following item transmitted via KYODO]

[Text] Azerbaijani human rights defenders stated that 31 members of the opposition arrested December 31 have experienced torture and beatings while in custody. Among the arrested were the leaders of the country's independent labor unions.

The lawyer Avaz Gumbatov, Deputy Chairman of the International Movement of Democratic Reforms and Defense of Human Rights in Azerbaijan, stated that in protest of the inhuman treatment a number of individuals have declared a hunger strike.

One of them, scientific worker Guseyn Zeynalov, suffered kidney failure as a result of the beatings. He was refused emergency medical treatment.

The lawyer quoted a statement of Iskander Gamidov, the Azerbaijani Minister of Internal Affairs, in which he allegedly promises to suppress all dissent.

Criminals Kill Antiterrorism Deputy Chief

OW0501133193 Baku Azerbaycan Radio Televiziyasi Television Network in Russian 1550 GMT 4 Jan 93

[From the "Telefaks" newscast]

[Text] Police Colonel Alekper Askirov, deputy chief of department for Combating Terrorism and Banditry, has been killed. We first met him in the summer of 1990 in Stepanakert and spent many days together in Shusha. He was a brave and experienced officer. He survived kilometers of battle front roads and fell at the hands of criminals in Baku. Today his body was committed to the earth. Fond memory to Alekper, and we will be informing you about the progress of investigations as much as possible.

Turkish Agriculture Minister Visits, Views Aid

NC0501165393 Baku ASSA-IRADA in English 1159 GMT 5 Jan 93

[Text] Baku, 05.01.93 (ASSA-IRADA)—Turkey will deliver 500 thousand tons of grain and potato-starch, 50 thousand of it free charge, as for the rest according to the prices of the last year, as Mr. Necmettin Cevheri, minister of agriculture and bread products [agriculture and village affairs minister] of Turkey told ASSA-IRADA. It will permit the republic to economize 25 dollars per each ton. Mr. Cevheri is on business visit in Azerbaijan. He has already met with ministers of agriculture and foodstuffs and bread products of Azerbaijan Republic and concluded a number of mutual beneficial contract. Today president of Azerbaijan will receive president of Azerbaijan. [sentence as received]

Georgia

Shevardnadze Discusses 'Cooling' Relations With Russia

LD0601122593 Moscow ITAR-TASS World Service in Russian 1000 GMT 6 Jan 93

[Text] Budapest, 6 Jan (ITAR-TASS)—Georgian State Council Chairman E. Shevardnadze has said in an interview with the Hungarian newspaper NEPSZABADSAG: "I expected the cooling that has taken place in Russian-Georgian relations and the growth of conflict." In his opinion, the new accents in mutual relations between the two countries proceed not from change in the Georgian position but from the political processes taking place in Russia. These new accents, in his view, are also connected with the confrontation in the Russian parliament and in the Russian leadership as a whole.

On the one hand, a joint document was adopted 3 September in which the principle of the territorial integrity of sovereign Georgia was declared. On the other hand, Russian generals and Russian military subunits in the Caucasus are constantly, day by day and hour by hour, interfering in the internal affairs of Georgia, E. Shevardnadze said.

"I do not want to believe that all the impermissible steps that are currently being taken by the Russian side in Abkhazia originate with the president of Russia," E. Shevardnadze emphasized. "I would sweep aside the very possibility of such an assertion, since Boris Yeltsin is a coauthor of the agreements reached in September." The leaders of Russian troops in Abkhazian-held Gudauta are acting precisely contrary to the fundamental tenets of the Russian-Georgian agreement.

Russia is following three different political lines simultaneously in those former Soviet republics where there are currently Russian troops. The first is the line of the president, whom I, as I have reiterated many times, believe, have believed, and wish to continue believing. The proponents of the second line are the Russian generals who head the Russian military formations located in the Caucasus. The Russian parliament puts forward the third line. I surely do not need to explain to you what the Russian parliament is like at present, Shevardnadze said.

The contradiction of Russian policy in the Caucasus manifests itself by the fact that the administration of the Russian troops located in Abkhazia (which is an indivisible part of Georgia) is not entrusted to the Russian military leadership situated in our region and with whom Georgia maintains constant contact. These latter assure us that since September the military formations in the Caucasus have been receiving orders direct from Moscow.

The leadership of Georgia considers this kind of situation abnormal. One gets the impression that Moscow does not trust its own Russian generals who are in direct contact with the leadership of Georgia. "I have good relations with Defense Minister P. Grachev of Russia and have talked to him in person about these things. He promised me that he would subordinate the Russian military formations in Abkhazia to the Russian generals of the Transcaucasus Military District, the headquarters of which is in Tbilisi. However, nothing has happened yet.

Sigua Stresses Respect for Existing Borders

LD0501221293 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 1800 GMT 5 Jan 93

[Report from Georgia by correspondent Nana Gongadze; from the "Novosti" newscast]

[Text] The bombardment of Sukhumi, capital of Abkhazia, is becoming more and more intense. There is a report from the main headquarters of the republic's armed forces in Abkhazia on today's bombardment of the city from the sea. The Abkhazians' large-scale attack along the whole front by the Gumista river allowed them to break through to the village of Achandara. However, toward 1100, the Abkhazian detachments were obliged to retreat, as they had been defeated and sustained heavy losses.

In Tbilisi, voices can be heard more and more frequently speaking about the pointlessness of continuing the military confrontation in Abkhazia. The losses from the rail blockade alone have reached 17 billion rubles [R]. One day of war costs the people of Georgia R4 million. And the lives of the hundreds of dead and wounded are simply priceless.

The Abkhazian question was prominent on the agenda of today's sitting of the Georgian Council of National Security and Defense:

[Begin Prime Minister Sigua recording] In this way a military confrontation may suit Georgia today. But the main question is that no Georgian will yield an inch of his land, of course. We must abide by international documents, which clearly state that sovereignty and respect for existing borders form the first principle for everyone. [end recording]

Today the Council discussed on camera the question of the protection of Georgia's state border and the creation of republican border troops.

Pro-Georgian Abkhazia Government Denounces Ardzinba

LD0501135993 Moscow ITAR-TASS in English 1337 GMT 5 Jan 93

[By GEORGIAN INFORMATION AGENCY for TASS]

[Text] Tbilisi January 5 TASS—The government of Abkhazia formed according to a decision of the Georgian parliament condemned the "leaders of Abkhazian separatists" and said it has the exclusive right to represent the multi-ethnic population of Abkhazia inside Georgia and abroad.

In a statement issued on Tuesday the Government of Abkhazia which has just been created said it had been authorised by Georgian authorities to ensure economic, social, political and law enforcement activities on the territory of Abkhazia until next parliamentary elections in the autonomous republic.

The government controls some 70 per cent of the Abkhazian territory on which over 80 per cent of the population live.

Abkhazian parliament speaker "Vladislav Ardzinba and his entourage, who have unleashed bloodshed on the soil of one of the lands of plenty of Georgia, who have clashed the Abkhazian and Georgian peoples traditionally linked by one fate, lost the right to represent anyone and should be condemned by the world community as carriers of ethnocratic ideology alien to the U.N. human rights declaration, the Helsinki Final Act and the CSCE," according to the statement.

The Gudauta-based government of Ardzinba "represents only certain extremist circles of the Abkhazian population. Leaders of Abkhazian separatists by means of political intrigues are trying to win support of public forces outside Georgia and thus prolong their ignominious existence based on the force of mercenaries who sow death and damage" in Abkhazia, the statement said.

The government of Abkhazia, which includes Georgians, Abkhazians, Russians and Armenians—the basic nationalities living in Abkhazia—is the only guarantor of political and economic independence of Abkhazia within the unified and sovereign state of Georgia, the document stressed.

Army Repulses Abkhazian Offensive on Sukhumi

OW0501143393 Moscow INTERFAX in English 1419 GMT 5 Jan 93

[Following item transmitted via KYODO]

[Text] The press center of the Georgian state Minister on Abkhazia, Georgiy Khaindrava, reported to INTERFAX that on Tuesday the detachments of the Georgian army repulsed the offense of the Abkhazian forces against Sukhumi. According to the press center, the Abkhazian military detachments failed even to cross the river of Gumista in force. The Georgian source reports about 100 Abkhazians who were killed during the attempted offense.

Meanwhile on Tuesday morning the Abkhazian sources including the press services of the Defense Ministry and the Abkhazian Supreme Soviet reported about an offense of the Abkhazian forces in the region of

Sukhumi. According to their information, the Abkhazian armed forces began a counterattack at 10.00 o'clock in the morning and forced the river of Gumista. At 12.00 o'clock a fierce fighting was going on in the northern-western part of Sukhumi, the Abkhazian capital. The wounded and killed people were transported to the Gudauta hospital. There were 18 wounded and 2 killed fighters of the Abkhazian armed forces as of 12.00 o'clock on Tuesday.

Abkhazian Council Reacts

LD0501195893 Moscow ITAR-TASS in English 1832 GMT 5 Jan 93

[By GEORGIAN NEWS AGENCY correspondent for TASS]

[Text] Tbilisi January 5 TASS—A resolution circulated today by the Council of Ministers of the Abkhazian Autonomous Republic was caused by increasingly intensive shelling of Sukhumi.

"The Abkhazian Council of Ministers does not intend to any longer tolerate barbarian destruction of the town of Sukhumi connected with the genocide of its residents, and demands that the command of Georgian troops stationed in Sukhumi return blow for blow and exclude further escalation of armed violence on part of Gudauta militants," says the document.

South Ossetia's Chochiyev Interviewed on Unity

MK0501150593 Moscow NEZAVISIMAYA GAZETA in Russian 5 Jan 93 p 3

[Interview with Alan Chochiyev, deputy chairman of the South Ossetian Supreme Soviet, by Yevgeniy Krutikov under "Caucasus" rubric; place and date not given: "Events in Prigorodnyy Rayon Demonstrate Ossetians' Military-Political Unity, South Ossetian Supreme Soviet Deputy Chairman Alan Chochiyev Believes"]

[Text] [Krutikov] According to information from Tskhinval, there is a government crisis in South Ossetia: The republic's Supreme Soviet Chairman Torez Kulumbekov has already handed in his resignation on several occasions, but the parliament has not approved it. Kulumbekov has, however, repeatedly adopted various decisions on behalf of the South Ossetian Supreme Soviet and published several appeals and official statements....

[Chochiyev] When Kulumbekov once again confirmed his desire to resign after the talks with field commanders, I thought that the pair of us would have to resign and change our seats in the hall—and work as ordinary deputies. Only that could preserve social peace in the republic.

Conflict flared up after the chairman categorically stated that he would not work with Premier Teziyev. In actual fact we have stood our ground thanks to what Teziyev and his people have accomplished. It was not statements by politicians like me or Kulumbekov that were crucial, but specific actions by the military. Incidentally, without them the talks in Dagomys would have been impossible too. Kulumbekov's statement of no-confidence in Teziyev sparked off a general campaign of no-confidence in the latter, a campaign backed by the oblast's former nomenklatura.

But provided there is no outside interference in South Ossetian politics, all our wrangling will improve the situation.

[Krutikov] North Ossetian Supreme Soviet Chairman Akhsarbek Galazov said quite recently that South Ossetia should remain part of Georgia. How do you view that statement? Would Tbilisi evidently like a Torez Kulumbekov government in Tskhinval?

[Chochiyev] Galazov's stubborn refusal to actually work to revive Ossetian unity makes me think that there are some personal motives behind this. Of late Georgian politicians have said outright that while the "Reds" are in power in North Ossetia, "Georgia will have no problems in Shida Kartli." [U Gruzii ne budet problem v Shida Kartli]

What legal basis is there in Georgia to ensure South Ossetia's proper representation there? I am unaware of any such basis and I think it strange that the North Ossetian leadership, unable to restore unity among its own people, is proposing to create a fundamentally new state formation in what was the Georgian Soviet Socialist Republic.

During the armed clash in Prigorodnyy Rayon the Ossetian people acted as one for the first time. Hard as they tried in the past to separate South Ossetia from the other Ossetians, events in Prigorodnyy Rayon represented the Ossetians' first common military-national action in the period under review. It may have political consequences. This problem is directly linked with the question of restoring the nation's unity, with two fundamental principles arising from the Helsinki process—the principle of inviolability of borders and the principle of a nation's right to self-determination. However, these principles must be applied specifically to each specific case, and then we will see that they are not at variance in Ossetia.

It is customary to think that if the border between North and South Ossetia were to collapse now, that would set a legal precedent to continue the dispute as to whether Prigorodnyy Rayon belongs to North Ossetia. But the border in the sector between North Ossetia and Ingushetia is guaranteed by the Russian Constitution. What is more, there is the Russian Federation law imposing a moratorium on territorial changes, which also guarantees the inviolability of Russia's national and administrative borders. The existing border between North and South Ossetia has no legal foundation at all because, following the collapse of the Union, the demise of the USSR Constitution, and the abrogation of the Georgian SSR Constitution, there is not a single legal document to enshrine the existence of a border between North and South Ossetia.

Government Bans Private-Sector Food, Tobacco Sales

LD0501105293 Moscow Mayak Radio Network in Russian 0135 GMT 5 Jan 93

[Text] Starting on 1 January the Government of Georgia has banned trade in food and tobacco goods produced in the republic by cooperative and private businesses. From now on food and cigarettes will be sold only in state-run shops.

Government To Establish Emergency Food Reserves

OW0401193393 Moscow INTERFAX in English 1900 GMT 4 Jan 93

[Following item transmitted via KYODO]

[Text] The National Security and Defence Council has decided to set up, on the basis of the state reserve, a special supply of foodstuffs and other material resources to be used in emergencies in order to meet mobilization and defence needs.

The conference said that current the amount of supplies in the state reserve was far below the norm. For instance, over the past two years the state reserve lent 4,200 tons of meat, 4,000 cans of meat, 8,600 tons of sugar, 4,100 tons of vegetable oil, 2,000 cans of condensed milk and 10,000 decaliters of alcohol. The debt has failed to be returned to this day.

Estonia

Russia Strengthens Control Measures at Border

WS0501130493 Tallinn ETA NEWS BULLETIN in English 1213 GMT 4 Jan 93

[From 4 January PAEVALEHT, p 1]

[Text] Monday, January 4—Russian border guard has begun a total checking of documents at the Estonian-Russian border preparatory to the introduction of a system of entry permits. Dozens of people were stopped at the Russian border in the first days of January. According to the resolution of the Leningrad Region Soviet the Estonian citizens are to purchase entry permits at the Russian border, Mayor of Ivangorod Ivan Dmitriyev announced. Russian citizens and stateless persons living in Estonia will have to pay 15 kroons for a one-day permit while the Estonian citizens are to pay according to the duration of their visit.

The Russian Embassy in Tallinn does not support the resolutions of the Ivangorod and Leningrad region authorities. The embassy has described it as "an arbitrary action". Russian Ambassador to Estonia Aleksandr Trofimov visited the Ivangorod border checkpoint before the New Year and pointed out that he would prefer the introduction of visa regime as Estonia has already done. The Estonian border Guard Department has not commented the Russian initiative. Border Guard service department head Edgar Haro said that it will be discussed at an Estonian-Russian border problems work group meeting tomorrow.

Criminal Groups Said Transporting Kurdish Refugees

WS0501131893 Tallinn ETA NEWS RELEASE in English 1942 GMT 4 Jan 93

[Text] Tallinn, January 4—Two criminal organisations which organise illegal transport of Iraqi refugees to European countries were responsible for taking Kurds into Estonia in an operation that cost the refugees 14,000 dollars, Director General of the Estonian Border Guard Department, Andus Oovel, told a news conference on Monday [4 January].

Two persons allegedly responsible for organising illegal entry into Estonia for 1,100 dollars have been detained, Oovel said while refusing to reveal their names. One of the detainees was a border guard who has been removed from his position, Oovel said.

Estonia's intention to expel the refugees to Russia where they entered Estonia will be among major issues discussed at Estonian- Russian working teams meeting to start on Tuesday in a Russian town, Pskov.

Estonian police and border guards detained 125 Kurdish refugees on December 21 in an Estonian sea resort where they were waiting for a ship to take them to Sweden. Some of the refugees have left Estonia while other refuse to leave.

Agriculture Minister Discusses Plans

WS0501130693 Tallinn ETA NEWS BULLETIN in English 1213 GMT 4 Jan 93

["Interview With Agriculture Minister Jaan Leetsar"—ETA NEWS BULLETIN headline; from 4 January RAHVA HAAL, pp 1, 2]

[Text] Monday, January 4—The new year in agriculture came in quite a poor situation. Lots of important drafts have not been passed in the Riigikogu, the land as well as other property has no master yet.

JL [Jaan Leetsar]: Last year the main stress was put on starting the agricultural reform. It is our task now to follow the course of the reforms and help them to function. Therefore, new agricultural departments were formed in counties which on one hand are subordinated to the ministry, on the other hand to the county head. An artificial opposition has been created between the previous owners and the present farmers. Actually these previous owners could easily become masters of the land. The farmers should get their documents on owning the land by spring, after the surveyors have done their job. Lots of applications on replacement of their land have been presented. This will be additional work, but it has been foreseen in the state budget already. Rural departments will be working hard this year.

The land tax will be decided in the Riigikogu. The draft on land tax has been presented to the Riigikogu by the government. Reform plans should be carried out in three first months of the year. It came out that there are lots of laws that people are not aware of. The ministry will send another packet of laws on agriculture for everybody to get acquainted with it.

Q: Will the state have more control over agriculture?

JL: We decided to re-establish the revision service in the Agriculture Ministry which will be dealing with complaints coming from the farmers control state enterprises. [sentence as received] I believe that the present self-organisation in state enterprises will be lost.

Q: How far has the ministry got with establishment of a Chamber of Rural Economy?

JL: The starting capital has been foreseen for the chamber in the state budget. The ministry will not interfere with its foundation. We wish that it would become a representative organisation having good relations with the ministry as well as the state and will solve all problems of rural life.

Q: Does the ministry dare to look into the future?

JL: We have been blamed in lacking a plan of development, but this is not true. We will assemble a farmers

congress in March to discuss the economic strategy for the period until 2000. We consider it necessary to have a prosperous middle class in the country. I think that 40-100 hectare cattle breeding farms are not expedient. I do not exclude the possibility of hobby farms. In Denmark, for example, one farm would have up to 120 hectares of land. Maybe the Riigikogu should confirm the maximum size of a farm in Estonia? Could it be 200 or 500? These are the questions to be discussed at the congress.

Q: The proceeding industries are being handed over to the producers. What kind of development can you see here?

JL: We are supporting this kind of policy that local producers' unions would take over the proceeding and marketing. The circle producer-proceedor [word as received] -market-consumer has to be under the control of the producer. If someone is afraid that the producer will dictate prices to the consumer, it is not well based as prices will be set according to agreements between the state and producer's organisation.

Producers and workers should have favourable conditions for exporting as it will be profitable for the state anyway.

Q: You met the other Baltic agriculture ministers in the end of 1992?

JL: The meeting took place within the framework of Baltic cooperation. We heard that Latvia is about to set customs tax on food products. Latvian Government has understood the importance of protection of farmers. Latvia has also started to produce a tractor of 47 horse power which will be interesting for our farmers as well. The idea is to produce cheap and high-quality agricultural machinery which would be suitable for the world market as well. We will have to organise better information exchange and coordinate our tasks in international organisations.

Q: You had another interesting meeting with your predecessors in the end of last year?

JL: It was most interesting to me as they are all good specialists whose advice is needed. Jaan Oja, minister in 1951-52 said that he was the one to form collective farms and state farms according to orders from Moscow. Now another Jaan has to reform the farms after 40 years.

Minimum Wages To Increase by 30 Percent

LD0501102493 Moscow ITAR-TASS in English 0955 GMT 5 Jan 93

[By ITAR-TASS correspondent Albert Maloveryan]

[Text] Tallinn 5 January—The minimum wages will increase by 30 per cent on average in the budget-supported sphere in Estonia in the first quarter of 1993. At present, the minimum wage equals 300 Estonian kroons a month. (One kroon = 1.5 roubles).

Nearly 150,000 people employed at state-owned enterprises will get higher wages. However, it became known after a government meeting on Monday that due to the lack of resources in the state budget, higher wages will be paid from the established wage funds without additional allocations, mainly through redistribution.

Observers say that the pay rise will not increase the well-being of the low-income people to any considerable degree, even though the government also plans to introduce some tax rebates. According to preliminary forecasts, the prices of essentials are likely to go up 15-20 per cent in the early 1993.

Statistics Departments Reports on Wealth Distribution

WS0501130293 Tallinn ETA NEWS BULLETIN in English 1213 GMT 4 Jan 93

[From 4 January HOMMIKULEHT, p 7]

[Text] Monday, January 4—According to the Department of Statistics 5 percent of Estonian families are rich, receiving 17 percent of the total income and using 19 percent of the total amount of consumption. 15 percent of families are wealthy, receiving 26 percent of income and using 24 percent of consumption. 30 percent are poor, the percentage of income as well as consumption is 13.

Average income per person was 543.7 kroons in November 1992, one half of it being provided by salary. The per capita income of the "rich" is approximately 2.000 kroons per month [words indistinct]—while that of the poor does not exceed 235 kroons. According to the experts, some 30 businessmen and 20 other persons in Estonia could be considered "rich" according to Eastern European standards.

Latvia

Baltic Fleet Refuses To Pay Tax on Facilities' Use

LD0501172693 Riga Radio Riga Network in Latvian 1400 GMT 5 Jan 93

[Text] The head of the city of Liepaja, Imants Vismins, has received a letter from the commander of the Baltic Fleet of Russia, Rear Admiral Yegorov, in which it is unambiguously stated that the land tax for the territories in Liepaja occupied by the Russian fleet will not be paid. The admiral explains this is in accordance with Russian legislation, which does not envisage the exacting of land tax from the territories occupied by the army. The fact that Russian legislation on this has also been applied to Latvian territory is causing incomprehension. In turn, the executive director of the management of the Liepaja harbour, Aivars Boja, told a news conference that the Russian fleet has discontinued cleaning Liepaja harbor.

Lithuania

Seven Candidates File for Presidential Election

OW0601120893 Moscow BALTFAX in English 1019 GMT 6 Jan 93

[Following item transmitted via KYODO]

[Text] Seven candidates for the post of President of the Lithuanian Republic were revealed after the first round of campaigning ended at midnight on Tuesday [5 January] when the deadline for nominations passed. Baltfax received this information from Lithuania's electoral commission.

The following candidates submitted their registration papers (together with a fee of around 41,000 coupons) in accordance with the law on presidential elections: Professor Kazimieras Antanavicius, independent member of parliament; Kazys Bobelis, independent member of parliament and chairman of parliamentary Foreign Affairs Commission; Algirdas Brazauskas, Lithuania's temporary acting president, nominated by the Lithuanian Democratic Labour Party; Lithuanian Ambassador to the USA Stasis Lozoraitis, an independent candidate with the backing of right wing political organisations; Kazimieras Petraitis, who leads and was nominated by the Republican Party; Kazimieras Uoka, an independent candidate (Uoka is an opposition activist, but the opposition itself declared that it would not back him, opting instead to back Lozoraitis-BF [BALTFAX] note).

The last candidate to submit his registration late on Tuesday evening was the independent candidate Remigius Vylkaitis, who is an actor with the Vilnius Youth Theatre.

The lawyer Romualdas Neverdauskas from Kaunas, who had expressed his intention to stand, failed to submit all his papers to the electoral commission and was disqualified from the campaign.

Candidates must collect 20,000 signatures by January 20th in order to become officially registered with the presidential elections commission.

Lozoraitis Interviewed

WS0501132693 Tallinn BNS in English 1843 GMT 4 Jan 93

[Text] VILNIUS, Jan 04, BNS—Stasys Lozoraitis, Lithuania's Ambassador to the US, says he would not be an opponent to Algirdas Brazauskas or a substitute for Vytautas Landsbergis, considering his possible participation in the February presidential elections.

Lozoraitis noted in his TV interview Sunday [3 January] evening that the possible nomination of his candidacy for the presidential elections does not mean that he would compete "against Brazauskas", neither would it mean that he becomes "a substitute for Landsbergis".

Different possibilities were discussed in the interview, since it was recorded before Landsbergis announced his decision not to run for president.

Lozoraitis said he would be able to nominate himself "showing a new way in the political life and giving the voters a possibility to decide, wouldn't they like to make slight changes at the political top of the republic".

"I am not and will not become a Sajudis candidate, I have my own way", Lozoraitis said and expressed hope that he will succeed in showing "a slightly different way".

In his TV interview one day earlier, Lozoraitis put it straight that he would be an independent candidate, his aim would be—"to calm down our political life, to become a certain uniting link between the position and the opposition, to help develop democratic life, to help everybody achieve reconciliation, if this is possible and as much as it is possible".

Lozoraitis says that the country's president "must guarantee constitutional rights, guarantee independence, [remainder of item not received]

Parties Support Lozoraitis

WS0501130193 Vilnius ELTA NEWS BULLETIN in English 1440 GMT 4 Jan 93

[From ELTA "NEWS BULLETIN" No. 155]

[Text] 4 January 1993—We, the political organizations that on the 23 December 1992 have signed the treaty about coordinated actions with regard to the election of the president of the Republic of Lithuania, declare:

1. The most acceptable presidential nominee from the point of our organisations is Vytautas Landsbergis.

2. For the purpose of reducing social confrontation, we support the idea voiced by Vytautas Landsbergis of nominating another candidate. One of such possible candidates is Stasys Lozoraitis.

3. We authorize Vytautas Landsbergis to negotiate with Stasys Lozoraitis about the latter's possible agreement to present his candidacy to the post of the President of the Republic of Lithuania.

[Dated] Vilnius 3 January 1993
[Signed] Lithuanian Democratic Party
Lithuanian Christian Democratic Party
The Party of Independence
Lithuanian National Party
Lithuanian Green Party
Lithuanian Citizens Charter
Lithuanian Sajudis
The Association of Political Prisoners and Deportees
The Association of Political Prisoners

Brazauskas News Conference

LD0601130893 Vilnius Radio Vilnius in English 0000 GMT 6 Jan 93

[Excerpts] Today [5 January] at 24 hours local time the deadline expires for the registration of candidates taking part in the presidential election. [passage omitted]

Speaking at a news conference today [Acting Lithuanian President] Mr. Brazauskas said that he had not changed his decision to take part in the presidential election, stating that his candidature would indeed be necessary. [passage omitted]

Mr. Brazauskas said he viewed Mr. Landsbergis' suggestion [to withdraw his candidacy] with a certain dose of skepticism. As Mr. Brazauskas put it, competition was necessary on a political level since it was unrealistic to expect that one candidate could get the approval of all circles in society. If he were to withdraw, Mr. Brazauskas said, the existing structure of power would be destroyed:

[Begin Brazauskas recording in Lithuanian fading to English translation] So the question arises how is this to be understood? There is a majority in the Seimas whose support I have. The government which I happened to nominate has the support of the majority in parliament. And all of a sudden the top of this pyramid of power is sliced off and replaced by a totally different one. I'm not against either Mr. Lozoraitis [ambassador to the United States and presidential candidate] or Mr. Landsbergis personally. Just like anyone else they undoubtedly have every right to put forth their candidatures. But what would the pyramid of power structure in our country look like then? And what would happen afterwards?

Let's imagine that Brazauskas does in fact withdraw his candidature and either Mr. Lozoraitis or Mr. Landsbergis is elected to the post of president. What would this signify? In either case it's a person who would be supported by certain rightist forces. So if this person is elected president a new cabinet would be formed in accordance with the Lithuanian Constitution. But this new government may not be voted into office by parliament. And if the government's program of action is rejected twice or if the cabinet is given a no-confidence vote—I'm speaking of the worst possible case, of course—this would mean that parliament would be dissolved and things would start anew once again.

So tell me, how much longer will we put up with this political squabbling? [passage omitted]

What I would like to tell you all—and there is no secret whatsover in this—is that I really do not feel too much enthusiasm or some deep inner need to become president. I simply find it necessary to put forward my candidature. Now that the wheels are turning we have to try to make them move in a concrete direction and in a good direction, a direction which would be acceptable to the entire nation. We have to move forward and by no means go back. Some of our opponents say that we are going to stop the reforms or turn back. I would like to stress repeatedly that we are not going to make any U-turns. What we are going to do is to move forwards, doing our best to make that transition as even as possible. [end recording] Acting President of Lithuania Mr. Algirdas Brazauskas, who is also the leader of the Democratic Labor Party, speaking at a news conference today in which he repeated his intentions to run for the post of president.

Defense Minister Meets Russian Commander in Klaipeda

OW0501221993 Moscow BALTFAX in English 1900 GMT 5 Jan 93

[Following item transmitted via KYODO]

[Text] Lithuania's Home Guard Minister [title as received], Audrius Butkevicius, visited Klaipeda on Tuesday [5 January] to meet with the command of the Russian military units stationed in Klaipeda and its suburbs.

Mr. Butkevicius had a discussion with Col. Aleksey Pustoutov, commander of Russia's 3rd Coast Guard Division.

The Lithuanian side maintains that the 3rd Coast Guard Division, as well as a helicopter regiment stationed in Kaunas, are lagging behind the withdrawal timetable more than any other unit in Lithuania.

At a press conference in Klaipeda Town Hall, Audrius Butkevicius said that apart from several other installations, the Home Guard Ministry is assuming control over the Russian former border guard training center.

Mr. Butkevicius evaded direct answer to the question regarding the final date of withdrawal of the Russian troops from Klaipeda, averring there will be no Russian troops in the city by August 31 this year.

Knowledgeably, this is the terminal date of withdrawal of all the Russian troops from the Lithuanian territory.

Views Navy's Role

LD0501222993 Vilnius Radio Vilnius Network in Lithuanian 1900 GMT 5 Jan 93

[Text] By the end of August there will be no Russian soldiers on the coast, Lithuanian National Defense Minister Audrius Butkevicius said at a news conference in Klaipeda today. He arrived there to inspect sites vacated by the Russian Army and discuss their take-over by the municipal authorities.

There are 24 military sites in Klaipeda and the neighboring rayons. The majority of them will be handed over for the needs of the town, and those which are essential for defense structures will be handed over to national defense.

Speaking of the Lithuanian Navy, the minister stressed that its basic function is the protection of our economic

zone. Its crews should be prepared to take part in rescue and and ecological control operations. A great deal will depend on the attitude of the new Seimas to the needs of the army. Six to seven percent of the revenue of the Lithuanian budget should be allocated for the minimal needs of national defense.

Generator at Ignalina Turned Off Due to Power Surplus

WS0501133593 Vilnius ELTA in Lithuanian 1226 GMT 31 Dec 92

["A Surplus of Electric Power in Lithuania"—ELTA headline]

[Text] Arunas Vasilis, senior controller of the State Energetic System, said to an ELTA correspondent that on 31 December, at 0142 [2342 GMT 30 December] the second generator of Block 1 at the Ignalina nuclear power plant was turned off. The station changed to the holiday regime of 1,700 megawatts, contrary to the customary 2,040.

One unit of the Kruonis hydroelectric station is still generating power today. At night, the waters of the man-made Kaunas sea may be raised to the upper reservoir to generate power on the first working day of the New Year.

Other Lithuanian stations have either been brought to a stop or are working at minimal capacity due to the shortage of fuel and the surplus of electric power.

Moves To Settle Debts With Russian Oil Companies

LD0501173493 Vilnius Radio Vilnius in English 0000 GMT 5 Jan 93

[Text] The Lithuanian Government has assigned a 1 billion-coupon subsidy from the state budget to cover Lithuania's debts to Russian oil companies. As Lithuania owes Russian oil companies 1.6 billion rubles, the rest of the debt will be paid out by the Mazeikiai Oil Company using loans allocated by commercial banks. As the Lithuanian deputy power engineering minister, Robertas Tamosiunas [name as received], told the BALTIC NEWS SERVICE, Lithuania's debts to Russian oil exporters have been the main hindrance to the negotiations between the Mazeikiai Oil Company and Russian oil companies.

Meanwhile, the Mazeikiai Oil Company has signed a contract with the (Luke Oil) trading firm for a refinement of 500,000 tonnes of crude oil this year.

At present the consumption in Lithuanian power stations has increased two and a half times since the last days of 1992 because of low temperatures, falling down to as much as 20 degrees below zero. Fuel oil from production resources has been used. Meanwhile, daily natural gas supplies to Lithuania have decreased to 5,000,000 tonnes a day, i.e. 1 to 2 million tonnes less than at the end of last year. Not using gas, the present amount of fuel oil would be enough to meet Lithuania's most pressing needs in the course of the next 10 to 12 days. Meanwhile, within the last few days hot water has not been supplied to the inhabitants of Vilnius. However, since 2 January 1993 the third thermo-electric power station of Vilnius has been working again.